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AN AMBASSADOR OF PEACE

LORD D'ABERNON'S DIARY

Vol. I.	FROM SPA TO RAPALLO (1920-1922)
Vol. II.	THE YEARS OF CRISIS (June 1922-December 1923)
Vol. III.	THE YEARS OF RECOVERY (January 1924-October 1926)

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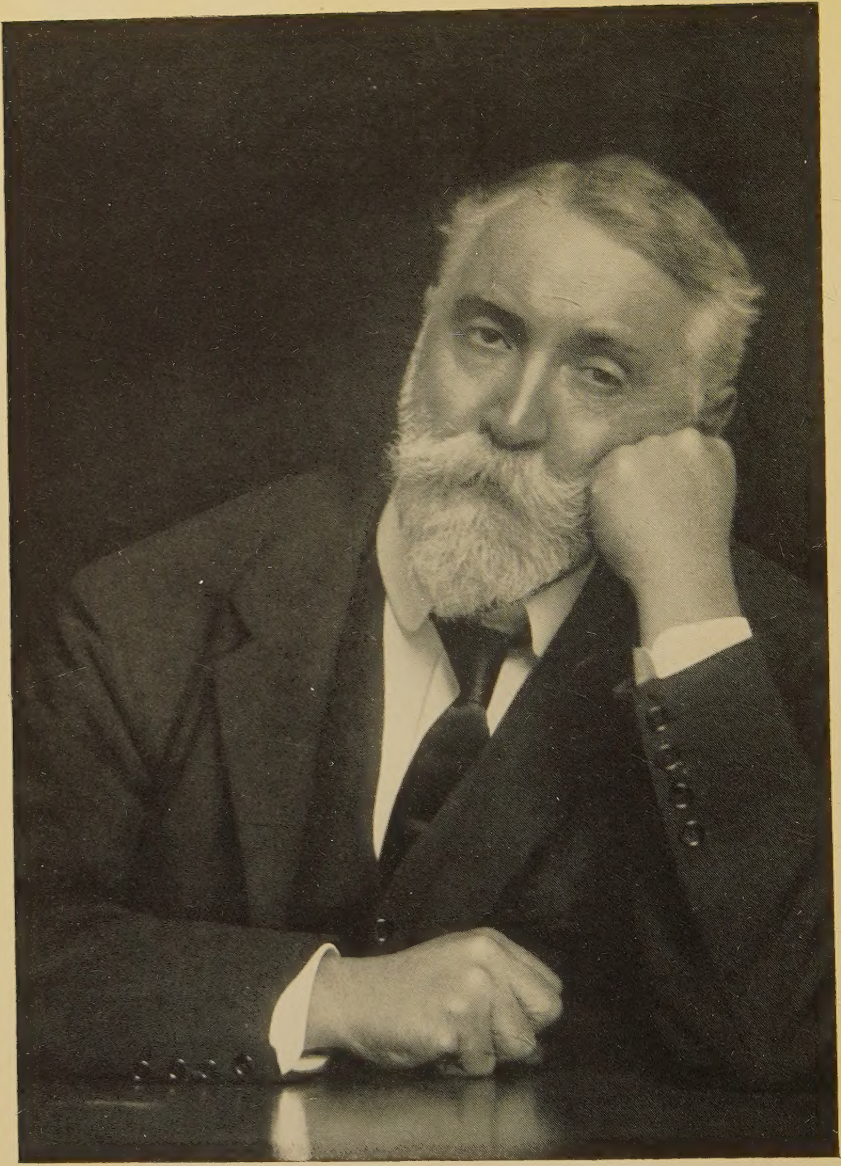

LORD D'ABERNON

Frontispiece

AN AMBASSADOR OF PEACE

LORD D'ABERNON'S DIARY

VOL. III

THE YEARS OF RECOVERY

JANUARY 1924—OCTOBER 1926

WITH HISTORICAL NOTES BY
MAURICE ALFRED GEROTHWOHL
Litt.D. (DUBLIN)

HODDER AND STOUGHTON
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Dum vetera extollimus, recentium incuriosi.—TACITUS.

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GENERAL SURVEY . . . . . . p. 1

PERSONAL SKETCHES

Stresemann . . . . p. 10
Austen Chamberlain . . . . p. 21
Carl von Schubert . . . . p. 27
Ramsay MacDonald . . . . p. 29

DIARY

CHAPTER I

JANUARY—FEBRUARY 1924

Visit to Fürstenstein—Observations by Czecho-Slovakian minister—Dinner with President of German Republic—Kühlmann on events in July 1914—Progress of Currency Reform—Maltzan and the recognition of the Soviet in England—The two Sub-Commissions of the Reparation Commission—Meeting with Dawes—General Hoffmann on the Hitler Putsch—Aphorisms on Reparation . . . . . pp. 33-53

CHAPTER II

FEBRUARY—JUNE 1924

England's new Prime Minister—Stresemann on political future of Germany—Impressions of visit to London—American Ambassador on Reparation—Kühlmann's war reminiscences—The Kaiser at Doorn—Death of Czecho-Slovakian minister—The Prime Minister on present position—Stresemann and public opinion—The Crown Prince at Potsdam—Stresemann's position in danger—Maltzan on Security . pp. 54-74

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CHAPTER III

JUNE—SEPTEMBER 1924

Graf Kessler on lecturing in America—Germany and the Micum contracts—Germany's reply to Note on Military Control—Ramsay MacDonald's visit to Paris—Kaiser and Crown Prince—German delegates leave for London—U.S. Secretary of State in Berlin—Divergence between German Foreign Office views and public opinion—French Ambassador on Security—The London Conference—Acceptance of Dawes Report—Its reception in Berlin—Financial and political tension relieved . . . pp. 75–92

CHAPTER IV

SEPTEMBER—NOVEMBER 1924

Effect in Berlin of Pact of London embodying the Dawes Plan—Position in Vienna in August 1914—Stresemann and Ramsay MacDonald—House of Commons debate—The Foreign Office and the Commercial Treaty—Romance of recovery of the mark—Drafting the Commercial Treaty pp. 93–112

CHAPTER V

NOVEMBER 1924—JANUARY 1925

Chamberlain on the Commercial Treaty—Luncheon with the new Chancellor of the Exchequer—Signature of Commercial Treaty: Views of English Press—Germany's future Government—von Schubert on Security—Controversy over Military Disarmament—Formation of Germany's new Government—Important German Note on Non-aggression pp. 113–124

CHAPTER VI

JANUARY—FEBRUARY 1925

Historic German initiative: first draft of what became Locarno—The new Chancellor of the German Reich, Dr. Luther—The new Pact of Mutual Security as compared with that of 1922—Cassel on the Dawes Plan—Stresemann on possibility of Commercial Treaty—German Press on Security—Luther's speech to the Press—Chilly British attitude towards German initiative—Chamberlain criticises Luther—Luther on Germany's foreign policy . . . . pp. 125–139

CHAPTER VII

FEBRUARY—MARCH 1925

Second draft of Peace Pact sent to Paris: Herriot's discretion—Modification of England's views regarding German initiative—Triangular negotiations between Berlin, Paris and London—An opinion on the Kaiser—A story of Bismarck—Stresemann, disappointed at its reception, threatens to withdraw offer of Peace Pact—Germany and the League of Nations—Chancellor on Germany's position at Geneva—Death of Lord Curzon—Chamberlain's speech at Geneva—Expert's view on the "Danzig Corridor" —Augustus John's portrait of Stresemann—Revival of Pact offer pp. 140–154

CHAPTER VIII

MARCH—JUNE 1925

Chamberlain's enthusiasm regarding German proposal—Review of alternative policies before England—Ex-Chancellor Wirth discusses the situation—Brandenburg's history of pre-War negotiations—Briand's draft reply to German initiative—Germany's readiness to abolish chemical warfare—Mussolini's clear views . . . . . pp. 155–171

CHAPTER IX

JULY—AUGUST 1925

Chamberlain on Mutual Security—Danger of Continental *bloc*—Setback in peace negotiations—Briand's Note well received—U.S. and British Central Bank officials visit Dr. Schacht—The German reply to the French Note—Proposed Conference of Jurists—Possible extension of Pact of Mutual Security to English Channel . . . . . pp. 172–186

CHAPTER X

AUGUST—OCTOBER 1925

Beneficial result of evacuation of Ruhr—Acceptance of Commercial Treaty by Reichstag—Outlook more hopeful—Respite for Stresemann and Luther—Interesting information from British representative in Moscow —German and French attitude at Geneva—German Mission leaves for Locarno—Chamberlain's influence . . . . pp. 187–195

CHAPTER XI

OCTOBER—DECEMBER 1925

A MOTOR trial in Soviet Russia—More news of Tchitcherin—Pact of Mutual Guarantee initialled at Locarno—Luncheon with German Nationalist leader—Russian anger at result of Locarno—Schubert on Locarno—German doubts as to Security—Chamberlain's skill in diplomacy—Schubert on difficulties surmounted—Locarno Treaty signed in London—An interesting dinner in London . . . pp. 196–213

CHAPTER XII

DECEMBER 1925—FEBRUARY 1926

DIFFICULTY of language at London Conference—Holstein's letters—Locarno ratified—German application for admission to League of Nations—Schacht on prospects of financial security—Stresemann on present position: Alsace-Lorraine—Von Hindenburg as President—Visit to Berlin of Secretary of League of Nations . . . . . . pp. 214–224

CHAPTER XIII

FEBRUARY—MARCH 1926

SWEDEN'S opposition to increased number of Council of League of Nations—German delegates leave for Geneva—Poland and the League of Nations—Failure at Geneva—Stresemann's dislike of Geneva—Echoes of Rapallo pp. 225–241

CHAPTER XIV

MARCH—APRIL 1926

AN entertainment in the theatrical world—Art before sustenance—My intended resignation—Locarno the corner-stone—A new German-Russian Agreement—New Polish-Roumanian Treaty—An explanation of the Brazilian attitude at Geneva—Chamberlain on the German-Russian Agreement . . . . pp. 242–250

CHAPTER XV

APRIL—OCTOBER 1926

GENERAL position in Berlin—A unanimous vote in the Foreign Affairs Committee—Meeting with Sudermann—Stresemann's views on the position—Dinner at Abe Bailey's—Interview with Winston—Difficulties regarding entry of Germany into the League of Nations—Necessary basis for a reasonable settlement with Germany—Foreign Affairs Committee on Locarno—Telegram from Stresemann on Locarno—Prince von Bülow on the origin of the War—Schubert's account of Geneva—The luncheon at Thoiry—Germany enters the League of Nations—Comparison of Locarno with earlier Anglo-German negotiations—Edward VII and Germany—Tributes of friendship—Departure from Berlin . pp. 251–268

APPENDICES

I. LORD D'ABERNON'S ADDRESS TO GERMAN DELEGATES . pp. 269–272
II. PROTOCOL OF ANGLO-GERMAN TREATY OF COMMERCE . pp. 273–275
III. GERMAN NOTE TO GREAT BRITAIN . . . . pp. 276–277
IV. MEMORANDUM BY GERMAN CHARGÉ D'AFFAIRES TO M. HERRIOT . . . . pp. 278–279
V. THE LOCARNO AGREEMENTS . . . . . pp. 280–285
VI. TURCO-SOVIET TREATY . . . . p. 286
VII. TREATY OF GUARANTEE BETWEEN POLAND AND ROUMANIA . . . . pp. 287–289
VIII. TREATY BETWEEN GERMANY AND RUSSIA . . . pp. 290–291
IX. ARTICLE XVI OF THE COVENANT OF THE LEAGUE OF NATIONS . . . . p. 292

INDEX TO THE THREE VOLUMES . . . pp. 293–317

GENERAL SURVEY

If Volumes I and II of this Diary have conveyed a true picture of the position, the reader will have derived from their perusal a presentiment that in December 1923 some imminent calamity threatened the German State. The dangers and difficulties of the preceding period had been such that they seemed to lead at no distant date to collapse or disintegration. The years 1921 and 1922 represented a rising tide of peril; in 1923 a climax was reached; some fundamental change of territory and status appeared the certain issue.

Forecasts of a pessimistic nature were current in Berlin, and were indeed justified by an impartial survey. Even those who knew best the power of resistance and the innate strength of the German people doubted their ability to come through. The combination of external pressure with internal dissension appeared irresistible.

What was the position when a pale, Northern sun rose on the snow-covered, windswept streets of Berlin on January 1, 1924? The prospect was comfortless and disquieting.

Of the territory left to the Reich by the Treaty of Versailles, a large portion of the Rhineland was still occupied by foreign troops. This was in accordance with the stipulations of the Treaty, as a guarantee for the payment of Reparation; and Germany had no legal ground of complaint. But since little progress had been achieved in settling the mode of Reparation payment, there was no certainty that this occupation would cease in 1935, the date originally contemplated. It might indeed be prolonged until Reparation had been paid integrally.

A still more serious circumstance oppressed German minds. Outside the territory legally occupied in accordance with the Treaty, a richer, more vital province had now been held by French and Belgian troops for nearly a year. The industry of this district—the most important in Germany—had been seized by force of arms; the mines and factories were busy under foreign managers imposed by foreign bayonets. Men who refused to work were imprisoned or exiled, recalcitrant managers were fined or incarcerated, the profits of industry were confiscated bodily, and the produce of industry was utilised to contribute to the prosperity of rival concerns abroad. The entire territory was cut off from the rest of Germany by a Customs cordon of extreme severity, mitigated only by the lenitive effect of occasional contraband. While this condition lasted, what hope could there be of recovery?

Meantime, the finances of the Reich had, a few weeks before, been through a crisis of almost unexampled intensity. The national currency had fallen to 1/18,000,000,000th of its original value, and had become practically worthless. All debts had been repudiated. The State, having borrowed money repayable in the old currency, took advantage of the complete worthlessness of this token of numeration to escape from effective liability, by payment in depreciated paper. Private debtors followed suit. Investors and creditors saw an aggregate obligation of 10,000 millions sterling repudiated. The effect of such proceedings on public credit and on the habit of saving appeared at that time likely to be not only temporarily disturbing, but permanently destructive.

From a third point of view the outlook was menacing—Separatism was again raising its head. In the Rhineland, in the Pfalz, in Bavaria, in Saxony, the previous twelve months had witnessed risings, demonstrations, "putsches," riots, all betraying the disintegrating action of powerful forces set in motion either by foreign agitators or by subversive nationals. While, in each case, the Reich had triumphed over the particular attempt, the frequency of these troubles, their widespread character, the sympathy they excited abroad, the absence of reprobation evoked at home, made careful observers apprehensive. A poison manifesting its potency at so many points of the body politic represented a grave menace and, at the best, constituted a serious obstacle to recovery.

Against this formidable array of troubles, economic, financial, political, what were the forces which Germany could bring into line? They were not at first sight imposing.

The Ministry was accounted weak. Stresemann, as Chancellor in August and September 1923, had taken the responsibility of the final decision to renounce Passive Resistance.

It had been anticipated that the abandonment of a hostile attitude would lead to an amelioration of conditions in the Ruhr and to an alleviation of the occupation. Nothing of the kind occurred. The severity of control was maintained. French troops continued to occupy all important towns—a Customs line still separated the Ruhr from Germany, and was thought a preparation for eventual absorption of the district into a French Customs Union. Poincaré declined to discuss evacuation until Reparation was complete, or until productive pledges had been handed over.

This failure to obtain any adequate return for the abandonment of Passive Resistance brought about Stresemann's downfall as Chancellor. He was succeeded by Marx, but retained the Ministry of Foreign Affairs.

This Ministerial combination was not based on any stable majority in the Reichstag—nor did it represent any definite policy, either at home or abroad. Was the leadership adequate to the circumstances? It appeared incapable of solving so serious a crisis.

At this date an impartial student in full possession of the facts would have said that some profound modification was imminent—constitutional change or partial disintegration. One blow had succeeded another. French troops entered Essen on January 11, 1923, the nation was already exhausted and dispirited by four years of fruitless wrangling, and this aggravation of preceding trials shook the new constitution of the Republic to its foundation.

But a change was at hand. Performance was better than promise. Soon after it assumed office the Ministry succeeded in devising a remedy for the most vital illness affecting the State—the extreme disorder of finance. A return of confidence in the sphere of currency was the first glimmer in a night of Cimmerian darkness.

In three months, the possibility of financial recovery dawned upon Germany. Helfferich found a talisman—found it and died. Luther and Schacht took charge. Despondent but determined, the little Mayor of Essen was called to the Ministry of Finance. He came from the heart of the occupied district, and he realised that if the Ruhr was lost Germany was doomed. He determined to free it from foreign occupation. Hesitating colleagues and an alarmed public were compelled to bow before his financial austerity.

Rigid economy and severe currency control were his watchwords. With Schacht at the State Bank theoretical knowledge reinforced homely good sense. The combination triumphed.

At first improvement was in the realm of finance alone; this, though important, was not enough. In the Diplomatic position there was no amelioration. The French still had a stranglehold on the Ruhr, their conditions for evacuation were such that no German Government could adopt them without ensuring its own immediate ejection from power. There appeared no egress, no solution. For months little or no progress was made.

When the solution was found, it was not from Germany that it came, but from France. The German Government did little to bring about a solution; they merely abstained from capitulation and suicide. The verdict of the French electorate saved the situation. In May Poincaré fell.

Under a new French Government alleviation came, and a tolerable solution. A moratorium relieved the German Exchequer, a loan provided the necessities of the immediate present. The Ruhr was evacuated—German industry resumed its activity. By the end of the year a great change was apparent. The contrast between January 1924 and January 1925 was dramatic in its intensity. On the earlier date, clouds of menace and disruption; on the latter, the light of returning day, the promise of a fairer morrow.

Vast difficulties had indeed been overcome ; currency had been placed on a sound basis, Reparation had been settled, the Ruhr had been restored. But the most essential question of all, that of Security, still remained untouched. With that problem unsolved, all gains were ephemeral and insecure.

With or without reason, for a legitimate cause or on a pretext, foreign troops might again invade, foreign authority might again confiscate and fine, might again imprison and exile.

If, as alleged, the underlying cause of past violence had been genuine fear, could not this source of hostility be eliminated ? Let reasonable cause for fear be removed from both sides, the most potent motive of suspicion and distrust would disappear. It should not be beyond the wit of man to devise an agreement which would quiet apprehension and inspire confidence.

That was the task before statesmen when the year 1925 opened. No one anticipated a rapid solution; if the comparatively easier problems of Reparation and Disarmament had dragged through months into years of inconclusive wrangling, could the fundamental issue of Security be brought to international agreement in a shorter period ? Cautious statesmen had advocated the postponement even of its discussion—alarmed at possible complications—alarmed at the passions which might be aroused.

The event proved this apprehension exaggerated. Looking back on the negotiation after an interval of four years I still wonder how the successful result was reached. While it is true that the idea of a pact of peace, guaranteeing the frontiers both of France and Germany, was not entirely new, since it had been put forward near the end of 1922, the position was worse than if nothing had previously been done, since the proposal when first presented had been abruptly turned down by France without benefit of clergy. A similar fate had attended the proposed Pact of Security at Cannes in 1922. It thus came about that, in January 1925, public opinion both in France and Germany was entirely unprepared for so startling a development as the German proposal of a Pact of Mutual Security.

There was another reason against the success of the negotiation: the fact that of the three intended signatories, England, France and Germany, the representatives of two were at heart hostile to the idea, being partial to—almost in love with—an alternative plan, viz. a defensive pact against Germany. Even in Germany itself there was no certainty of a majority in favour of the renunciation of claims on Alsace-Lorraine, and yet without a concession of this nature it was clearly impossible to obtain protection for the frontiers of Germany.

January 20, 1925, should be written in golden letters in the history of post-war Europe, for on that date the German Government communicated to London the first sketch of the proposed pact. The proposal was deliberately couched in a form that would soften refusal if refusal came—as in fact it did come at the outset. The British Government was not asked to accept or refuse the proposed pact. It was requested merely to give advice as to the best form in which such a proposal could be brought by Germany before the Allied Powers. Even in this veiled and mitigated guise, the proposal met with so chilly a reception in London that it was nearly killed on the spot. The Foreign Office pointed out that negotiation on so vital a matter could not be conducted with one Ally without the full knowledge of the other. Chamberlain almost resented the fact that the original question had been directed to him alone, regarding it as an attempt to seduce him from the path of loyalty to France. The German Government were disappointed that, what they considered so favourable an initiative on their part, did not evoke enthusiasm. Grave misgiving was felt in the Wilhelmstrasse as to the expediency of persevering with the proposal. Some were in favour of abandoning the initiative taken. It was feared that the Stresemann plan of 1925 would not receive any better treatment from the Allies than the Cuno proposal of 1922. Happily bolder and wiser counsel eventually prevailed, and it was decided in the early days of February to make an official communication to the French Government of similar purport to that which had been telegraphed on January 20 to London. But in this case the request was not for advice as to how best to present a proposal. It was an official proposal in due form.

It so happened that the German Ambassador in Paris, through whom the communication had to be made, was unwell. Action had therefore to be taken through the First Secretary, who handed Herriot the text of the Note on February 9. The absence of the Ambassador limited the conversation, perhaps fortunately, and the interview was reduced to the simple transmission of a written document.

Precisely what then occurred has not yet been revealed. But no suspicion reached the public that an event of this importance had taken place. When the secret history of the period comes to be published from French sources we shall ascertain what happened. For the present it is probably wise not to push enquiry too far, but to thank Providence for timely intervention in checking the usual course of press omniscience and revelation. For it is certain that the publication of the text of the German Note in early February would have sealed the fate of the whole negotiation, and destroyed any chance of a successful issue.

In the event there was no sudden publication. Rumours began to circulate, but only after considerable delay, and public opinion was gradually acclimatised to the fact of an important negotiation. It thus fell out that when nearly two months later the precise tenor of the German communication became known there was no surprise; indignation was confined to nationalists and irreconcilables. Opposition from these groups was indeed inevitable, and they remained hostile to the proposal not only in the initial stage, but up to the official initialling of the Treaty of Locarno on October 16. Indeed, through the greater part of the ensuing months their influence appeared likely to preclude any successful issue. And until the date of signature diplomats were almost unanimous in predicting the failure of the proposed agreement. If statesmen had recorded their true expectation it is doubtful if they would have been more right than the diplomats. Even in Berlin, where opinion was on the whole less hostile, the balance of opinion was certainly against the possibility of agreement.

It required indeed exceptional ability and skill on the part of the three Foreign Ministers concerned. While the highest praise has deservedly been allotted to Chamberlain, Briand and Stresemann, it would be unjust not to recognise the immense service rendered by others like Schubert and by the legal advisers of the Foreign Offices of the three countries. These latter luminaries were called together in advance of the meetings of Ministers, and to their detached discrimination and to their skill in drafting much of the final success was due.

But when full praise is awarded to all personalities concerned, it will not, I hope, be esteemed a derogation from the dignity of the event if I state my opinion that Locarno was one of the most surprising strokes of good fortune recorded in history—the phrase being understood to signify —advantage gained beyond reasonable expectation.

It has been demonstrated that success was improbable when the negotiation commenced, and indeed at a much later date. It is moreover true that public opinion in both France and Germany was far behind the progressive spirit which animated the negotiators, and finally led to success. Comparing the Pact of Locarno with the Treaty of Versailles, the broad spirit of appeasement which animated Locarno was in strong contrast with the somewhat vindictive preoccupations which hampered wisdom at Versailles. And in 1925 the public temper resembled Versailles rather than Locarno—certainly in France, probably in Germany and among influential sections in England. Locarno was a break with tradition, and constituted an almost violent step towards the abatement of secular hatred. It is easier to praise than to explain; easier to be thankful than to understand how the initial dangers were surmounted. Others may at a later date write more fully than I have done, but I doubt if any authentic narrative will invalidate the conclusion that the proposal which led to Locarno had an almost miraculous survival from the perils of infant life.

Of the three major events recorded in this Diary—the Dawes settlement in 1924, the Locarno Agreement in 1925, and the entry of Germany into the League of Nations in 1926—the greatest was Locarno. Dawes laid the foundation—Geneva crowned the edifice, but the essential building was carried through in October 1925, in that now historic village on the Italian lakes. Imagination has been stirred by Locarno—Locarno is the central theme of the present volume.

It is difficult for me to give a balanced, critical account of Stresemann. I was too close to the man, too intimate, too attached to him. During six years we were in almost daily intercourse, either in personal interview or by confidential intermediary, and I believe that no two men in similar positions were ever more frank with one another or more free in the interchange of suggestion and criticism.

A first impression of Stresemann was that he might have been Winston Churchill's brother. The same silhouette—almost identical colouring. And in temperament and mental characteristics a close analogy.

Both brilliant, daring and bold. In both, more than a dash of recklessness—and a pronounced predilection for the unorthodox. Compare the views held by Stresemann on permanent officials with what Winston thinks of Colonels and Major-Generals; neither class would come off much better than the other. Minor differences of course there were. Winston's voice is soft and lisping, with a slight impediment in delivery. Stresemann's tones were resonant and clear—they have been occasionally criticised as rasping. And his mind was no less clear than his voice. No half tones ; no blurred outlines.

The divergence between English and German methods of public speaking is so great that a comparison between the oratorical performances of individuals is difficult. The German normal method is formal and enunciatory ; the English easy and conversational. But the real strength of Stresemann, as with Winston, lay less in statement than in reply—in reply he was brilliant, and equipped with a complete command of the weapons of sarcasm.

Turning from oratory to the less external side of Stresemann's gifts, one finds qualities which were equally remarkable. The most hostile critic cannot deny consistency and courage. Whether his policy was right or wrong, it was pursued unrelentingly and without deviation from 1923 until his death in October 1929. There was also a certain element of good luck, without which, in troublous times, no statesman can come through.

It may sound paradoxical but, in considering the character of Stresemann, I have been impressed with his resemblance to certain types in Greek life. There was in him a definite note of freedom from superstition and a very marked directness based upon complete incapacity for self-deception. Moreover, the humanist bias was with him in all that he undertook. He valued life for what it was, not for what it might be thought; he valued achievement because it gave him power, and gave him the consideration of his contemporaries. If he idealised, it was the idealism of common things. If it be true that the Greek felt and expressed extraordinarily keen pleasure in eating and drinking and in the enjoyment of life, then Stresemann was Greek. In the capacity to appreciate simple pleasures, no one could excel him; he would have sympathised with the character in Greek comedy who boasted that he drank from the pitcher when the cup had been broken by a slave.

It was not only in the frank enjoyment of things that Stresemann came near to the Greek type, but also in the clearness of his vision—I had almost said in his intolerance of cant and humbug; vague imaginings never clouded his conception of life.

My real friendship with Stresemann began in 1921. I had met him before, but we had only exchanged commonplace civilities. In one of the numerous crises which occurred between Berlin and the Western capitals during the years following Versailles, Stresemann—representing at that time an important Parliamentary group—came to the British Embassy with four questions which he wanted answered. These questions were so pungent and precise that I was totally unable to answer them myself, and, indeed, when I promised to telegraph to London to ascertain the views of the British Government, I anticipated receiving from official sources either an evasive reply or a reminder that it was hardly consistent with diplomatic usage to transmit definite points of such a searching nature. It happened, however, that Curzon, who was then at the head of the Foreign Office, was no less ready with pen and tongue than Stresemann, and no less disinclined than he was to seek safety in silence or evasion. So the answer came to these four questions, and from that date Stresemann and I became close friends. Once reassured as to the essential good faith of English policy; once convinced that we were not seeking to hold Germany down in a subordinate position, but to procure Peace in Europe on a durable basis, his whole attitude became one of cordial co-operation. It was part of his frank, buoyant nature to put his entire case forward, to explain his own difficulties, and to relate, without reticence or reserve, the origin of his doubts and hesitation—when, indeed, doubts crossed his mind, for the occasions were rare when he hesitated about anything.

Perhaps the gravest decision which Stresemann ever had to take was in the autumn of 1923, when it fell to him to abandon the campaign of Passive Resistance with which Germany countered the French occupation of the Ruhr. There was no question about it; Passive Resistance had to be abandoned; it was not the will to resist which had changed, but the possibility of continuing subventions. The paper money with which the German Government had assisted the miners from January 11, 1923, up to September of that year, had fallen in value to such an extent that it was no longer of any effective use ; Germany must therefore submit. The question was whether submission would obtain for her alleviation of the intolerable condition of affairs which menaced her whole industrial life. Stresemann, who was then Chancellor, took the decision—took it unwillingly, hoping for the best. The best did not accrue; there was no alleviation; Poincaré remained adamant, the entire control of the Ruhr industry continued in French hands. Disappointment in Germany was so intense that the Government fell; Stresemann ceased to be Chancellor, but remained in office as Foreign Minister, and was still the most influential member of the Government.

In spite of his failure to obtain concessions from Poincaré, Stresemann was constant to the policy of a settlement between Germany and France if reasonable terms could be obtained, but he would not negotiate with France alone: England must be a party to every negotiation; on no account would he sacrifice the English connection.

Regarding the Rhineland and the Palatinate, Stresemann was persistent in declaring that Germany was ready to renounce any idea of using these districts for military purposes, either in Peace or War—provided that a similar obligation was undertaken by France.

I remember a conversation with Stresemann in March 1924, which shows a curious side of his character. He said to me: " Are people in England anxious about the possibility of another war ? " When I replied in the negative, he said: " I will tell you a curious incident. X of the Deutsche Bank—quite a serious man—told me the other day that he had just seen two officer friends of his who had been to a gipsy fortune-teller. They asked her what the future held in store for them. She said, ' In 1927 you will return to the Army to fight in another war.' They replied, ' We have had one war, and that is enough for a lifetime.' The gipsy rejoined: ' It is just as certain there will be another war and that you will fight in it as it is that the child of one of you is now dead.' The officers returned to their hotel, and one of them found a telegram from Munich saying that his child had been run over by an automobile and killed."

Early in 1925, when the Pact of Peace first came into practical negotiation, Stresemann's apprehension was that it might be less desirable to come to an agreement with Herriot (who was then French Premier) than with Briand or Loucheur. The former, a Radical Socialist, would meet with more opposition from the Right. He said: " It is an analogous case to that of Germany where, with the Nationalist members that I have at last succeeded in getting into the Government, I am able to come to a fair arrangement with the Allies; better than the Socialists could have done. No one believed that my object in bringing in Nationalist members was to be conciliatory; now they see that what I said was true, and that I can afford to be more conciliatory than the Socialists, with whom the French continue to intrigue against me."

Stresemann never had any doubt that Germany would endeavour to carry out the Dawes Report. He had a firm belief in the importance of American financial support, and received, not without a certain deference, financial counsel from American experts. It may be said that the permanent trend of his policy was definitely Western as opposed to the East. It might indeed be foolish for Germany to sacrifice the Moscow connection, unless something solid and permanent could be obtained in the West. But if wise men once came from the East—rich men, with money to loan, now hailed from another quarter.

Also, as to Poland, it is doubtful whether he believed much in the possibility of any arrangement. The policy of France might be to trust to the Polish alliance. But for Germany to support Poland would mean the inevitable hostility of Russia, and Russia was bound to come back. Undue partiality for Poland had been the underlying cause of Napoleon's catastrophe; his support of Polish aspirations in the years succeeding Tilsitt was the ultimate reason of the Russian hostility which led to his downfall. Similar arguments applied to-day : neither Russia, under present auspices, nor Poland, at any time, was to be relied upon as an ally of Germany.

These reflections apply to Stresemann's policy in the years 1925–6. Whether he retained the same ideas in later years, whether he would have retained them permanently, may be doubtful. His was a most lively and progressive mind; there was no cast-iron immobility, but a great power of adaptation to the necessities imposed by changing circumstances.

A striking instance of his facility of apprehension may be cited.

It so happened, in the months preceding Locarno, that Augustus John was staying at the British Embassy, and had made sketches of several prominent persons in Berlin. He had particularly desired to do a portrait of Stresemann, being impressed by the vivacity of his expression and the energy of his personality. The Chancellor willingly fell in with this plan, and I arranged that he should sit to Augustus John. When the portrait was well under way, the thought struck me that the sittings might be a favourable opportunity to discuss with Stresemann the larger possibilities adumbrated in the German Notes of January 20 and February 9.

Augustus John knew no German, so the conversations could be carried on between Stresemann and myself as if we were alone. The advantage of the occasion as compared with an ordinary interview with the Chancellor resided in the fact that for the purpose of the portrait he was compelled to maintain immobility and comparative silence, whereas the usual tenor of other interviews with him was that I had difficulty in giving adequate development to my thoughts—his lively intelligence and extreme facility of diction inclining him to affect monologue rather than interchange of ideas. When sitting for his portrait, however much he might desire to hold forth, artistic considerations would keep him immobile, silent, and possibly attentive.

Things fell out according to plan. After a sentence or two on the subject of international conciliation, Stresemann naturally wished to interject considerations of his own, considerations which, developed without restraint, would have been neither consenting nor concise. But Augustus John protested and imposed artistic authority; I was therefore able to labour on with my own views without interruption.

Being by nature a poor expositor, and having only a limited command of technical German phrases, the assistance given by the inhibitive gag of the artist was of extreme value. Without Augustus John, armed with his palette and his paint-brushes, the chances of profitable interchange of thought would have been considerably diminished. Reduced to abnormal silence in the manner indicated, Stresemann's quickness of apprehension was such that he rapidly seized and assimilated the further developments to which the Pact proposals might lead.

Of the qualities shown in the negotiations which followed, the most remarkable was perhaps physical courage. At any time during 1925 the chances of assassination to which Stresemann exposed himself were such that no prudent Insurance Company would have assumed the risk of a life policy.

It is impossible to review the years from 1920 to 1926—that is to say, the years which led from post-war animosity to the relatively peaceful haven of Locarno—without endeavouring to determine which of the statesmen of Europe deserves the highest meed of praise for what was achieved. As readers of this diary know, I have the highest opinion of Briand and of his services to the cause of Peace, but if one estimates the value of a contribution by the amount of difference it would have made had that particular contribution not been available, Stresemann is perhaps entitled to the highest place. He assumed bigger risks in carrying out his policy; he was more peculiarly

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GUSTAV STRESEMANN

fitted to influence public opinion in his own country than was either Briand in France or Chamberlain in England. And this for a simple reason: by temperament and by historical antecedents he belonged to the other side. If against expectation he was to-day for Peace there must be reasons of exceptional cogency.

Stresemann began life as a pugnacious student of the full-blooded type, a militant and aggressive Nationalist. During the war he was an advocate of the strongest and most bellicose measures; an opponent of any pledge to restore Belgium, an advocate of submarine warfare and a bitter critic of all negotiations which would, in his opinion, lead to premature Peace. This past gave him a position with the Nationalists (the party from whom opposition to the Peace policy was most to be feared) of an exceptional character. They might detest the measures he proposed; they might consider his concessions dishonourable and dangerous, but they could not attack him with the same vehemence with which they would have attacked similar measures introduced by a Socialist or Catholic minister. His general orientation had been similar to theirs; he had not recanted in principle; he could only be a convert to measures of conciliation from imperative motives of expediency.

Stresemann's relations with his former friends of the Right and Right Centre were peculiar and fluctuating. At times he co-operated with them; at times they were his most vehement opponents. While in sympathy with them in being a partisan of the Hohenzollerns, he diverged from them in his readiness to adopt measures he considered politically necessary. Stresemann, in pursuit of his policy, was prepared to co-operate with any party, either with the Nationalists on the one side or the Socialists on the other; he found no consistent support from either; he did not find support even in his own party—the Volkspartei—itself divided into several sections and subsections. So, to gain the necessary majorities for carrying measures that he considered essential, he had to get together casual —almost fortuitous—majorities, enlisted wherever he could find them.

What was his essential policy ? To bring about such a moderation of hostility between France and Germany as would permit European pacification. So long as the acute fear of German attack existed in France, so long as Germany was under the menace of armed intervention from France and threatened by a repetition of the Ruhr invasion, any broad policy of European pacification was impossible. Once public opinion in Germany and France was reassured as to the particular danger arising from the other side of the Rhine, everything became easier. There was no more definite objective in Stresemann's mind than the above. The first step was all that he visualised clearly; once that step was taken international politics would settle down and many other things might become possible.

It is called the triumph of Stresemann's career that he achieved not only Locarno but the revision of the Dawes Plan at The Hague. I have always thought Locarno incomparably the more important of the two. Indeed, I have doubted the wisdom of bringing about the revision of Dawes at so early a date, and my doubt has not been removed by the fact that the disputes consequent upon the Young Agreement undoubtedly precipitated the death of Stresemann. What financial benefit can be compared with the loss to Germany and to Europe of such a man ? As to the merit of Locarno, that appears to be incontestable. In 1925, in the course of a few weeks the European barometer passed from " Storm " to " Fair," and while it has since fluctuated at times, it has never receded to the menacing level which was normal up to 1925.

The last years of Stresemann's life were marred by ill health—ill health largely brought about by overwork in the interest of his country and in the interest of Peace.

He would, indeed, have broken down many months before the final catastrophe but for his indomitable will and intense nervous vitality. He was, moreover, unusually fortunate in his family life: two sons in the early twenties, both of them good-looking, intelligent and artistic—one of them something of a musical genius; his wife, one of the most charming members of Berlin Society, looking as young as her sons, and maintaining in the family circle an atmosphere of cheerfulness which made the home both stimulating and refreshing. If Stresemann was older than the other three members of the group, he enjoyed life as much as the youngest of them. He relished his own talents, his incisive resonance, his unique capacity for clear thought and clear expression; he was proud to be German, prouder still to be the compatriot of Goethe. Admirably versed in German literature, he could quote with verbal accuracy long passages both of poetry and prose. Indeed, he went beyond the limits of his own language, for he could quote Shakespeare, in German and in English. In addition to literature, he had an intense appreciation of the good things of life; good wine, good music, were relished to the full; his capacity for enjoyment was not marred by any hesitations or doubt as to whether the course he happened to be pursuing was right. It was always right—always inevitable. He once said that he never regretted anything he had done—his only regret was for the opportunities of enjoyment which he had foregone or missed. Above all, he enjoyed the success of his own policy, and was rightly proud of the services he had rendered to his country and the high personal position he had attained.

While Stresemann's achievements finally won general approval, it was long before he gained public confidence. Indeed, he was of those for whom it is easier to inspire admiration than to create trust. His capacity for arousing animosity was quite exceptional. Why, it is difficult to say. Perhaps his mind was too rapid to give an impression of solidity—his enunciation too resonant and the phrases too brilliant to suggest reflection or measure.

Of him it may be said, not that he had the qualities of his defects, but that his qualities—clearness, rapidity and decision—earned him a reputation for defects from which he was entirely free—recklessness, and lack of conviction. With the latter weakness he certainly could not be charged, for he adhered steadfastly to beliefs, when they were not only inconvenient, but damaging.

Comparing Stresemann with other German statesmen of the last half of the nineteenth century and the early years of the twentieth, it should be remembered that Bismarck and Bülow had at their disposal military force and military prestige. With Stresemann these conditions, no less than high rank and social status, were completely lacking. In measuring his achievement, such fundamental differences in basic conditions must be kept in mind. Stresemann may claim to have raised Germany from the position of a stricken and disarmed foe into that of a diplomatic equal, entitled to full consideration as a great Power, and enjoying international guarantee for the protection of her frontiers. To have accomplished this in a few years of power without the support of armed force is a feat worthy of those who have written their names most memorably on the scroll of fame. Stresemann left Germany infinitely stronger than when he took the helm in 1923, and Europe incomparably more peaceful. This achievement is the more remarkable in that Stresemann was not, by temperament, a pacifist; it might indeed be said that pacific results of such magnitude were never before attained by so bellicose a champion.

As one who knew him well through difficult years, who saw him triumph over grave opposition from without and from within, I hold that Germany has never had a wiser or a more courageous adviser.

The basis of Austen Chamberlain's policy during the first months of his tenure of the Foreign Office was the closest alliance with France. His admiration for France was proclaimed in every speech he made: no other Power—no Dominion even—was mentioned with similar warmth. It was therefore presumed that the project of a military pact between France and England would find a warm advocate in him. It appeared certain that England would become engaged in what would amount to an anti-German defensive league.

The idea of such a league was not popular in England. It had been urged upon us by France ever since the United States refusal of the Anglo-American Guarantee Treaty in 1919. Briand had pressed it with persistence and skill. Poincaré had demanded it as a right, and had endeavoured to impose it upon Lloyd George at Boulogne in 1922, with words that were not far short of inacceptable pressure. The reception of the idea in England had never been enthusiastic; as time went on, English opinion hardened against it. Lloyd George had, indeed, acceded to the idea, but he did so with evident reluctance, and had on many occasions endeavoured to limit the scope of our engagement and restrict the *casus belli.* Moreover, he demanded the abolition of submarines. One specific French demand he had definitely refused, viz. that the amount of military assistance England was prepared to furnish should be laid down in advance.

It is of interest to note, as showing the state of public opinion previous to the Ruhr occupation, that, while reluctant to undertake precise engagements of too onerous a character, Lloyd George had not raised any objection to the principle of a military agreement binding England to defend France—without any reciprocal clause guaranteeing the German frontier against French attack. Germany was still considered the potential aggressor—the one State powerful enough to take the risk of a new war.

Up to the end of 1922, public opinion in England, while hostile to the idea of accepting binding obligations, acquiesced sullenly in the general policy, perceiving no alternative. But when public opinion is driven to a given course merely because there is, at the moment, no apparent substitute, it is apt to spring back on the first favourable occasion. And this occasion presented itself in 1923. The occupation of the Ruhr excited profound distrust in England. It revealed the fact that peace in Western Europe was liable to be disturbed—not only by Germany, but by France. France and Belgium had shown, by the forcible seizure of Germany's richest province, that military predominance was on their side, and that they were prepared, on occasion, to take advantage of it. Under the circumstances, there was neither common sense nor sound policy in binding ourselves to defend those who, for the present at any rate, needed no defence, if by so doing we perpetuated war animosities and divided Europe into two hostile groups. It must be made clear that France, who possessed—and had just proved that she possessed—the means to do so, would not infringe the frontiers of others. Our fundamental object was pacification—a one-sided engagement was not the path towards it.

Considerations of this nature were so much in the public mind that Ministers were influenced. Whether they originally intended to sign a Unilateral anti-German Pact may be uncertain. What is certain is that the idea, if originally held, was abandoned.

Reciprocity—a reciprocal guarantee of frontiers between France and Germany—became the only basis on which England would agree to guarantee French territory from attack.

It was in the negotiation on this basis that Chamberlain rendered Europe such signal service.

He was peculiarly well placed to exercise decisive influence. It has sometimes been said that his honesty and impartiality carried the day. It would be more correct to attribute success to his honesty coupled with partiality. For he continued to exhibit, and indeed to parade, his strong attachment to France. When, therefore, he told the French representatives that no other course was possible than the signature of a Bilateral Treaty, they accepted his word, as they would not have accepted that of a less friendly statesman. France regarded Austen as a trusted lover. Even the Quai d'Orsay, which is rarely inspired by emotion of the gentler sort, realised, because Chamberlain had said it, that the Unilateral Treaty idea was not practical politics. There was only one possibility for France if she desired to obtain real security on her frontiers and the support of England, viz. to adopt the reciprocal, bilateral basis.

As regards Germany, Chamberlain's partiality for France exercised no deterrent effect. German opinion on the military situation differed fundamentally from the view held in Paris. There, German aggression was a constant bogey. In Berlin, even the most bellicose Teutons discarded, as unrealisable, the conception of successful military aggression or invasion of the French frontier. Their technical military understanding realised the impossibility of carrying on modern warfare without "matériel"—notably without aeroplanes and heavy artillery. If other countries still feared German military aggression, they made a false estimate of Germany's present power. This mistaken appreciation by foreign nations might be welcomed by Germany, since it tended to facilitate negotiation. If foreign military advisers supposed that the unarmed would attack the fully armed, and were prepared to advocate concessions in order to buy off the unarmed, so much the better. As for Germany herself, she had no such illusions. She desired peace and security for her own territory. She was therefore ready to negotiate on the basis of equality and of reciprocal safety. The German Government was even prepared to submit all differences with France to arbitration, and to renounce all claims to Alsace-Lorraine. The most delicate point was that regarding her Eastern frontier, but here, again, German Ministers were willing to give a solemn pledge against the use of force in any attempt to rectify the frontier as laid down by the Treaty of Versailles. CHAMBERLAIN realised the possibilities of negotiation on this basis. A modification of his previous attitude would bring him into line with English public opinion, which had become definitely hostile to a Unilateral Pact against Germany. His extreme honesty and uprightness protected him from any charge of time-serving. The opportunity was unique. He had the courage to take the fullest advantage of it. Without hesitation or reserve, he pressed forward the cause of the Bilateral Pact with vigour and conviction. It was said at the time that his sincerity and good faith enabled him to modify his previous attitude in a manner only equalled by one prototype, namely, St. Paul. And in vigour and zeal he was not inferior to his apostolic forerunner.

ENGLISH diplomacy never achieved a more striking success than the Treaty of Locarno. The agreement formally adopted by the plenipotentiaries of France, Germany, England and Italy was drawn up on a basis of conciliation, so complete and far-reaching that a year before it would have been ridiculed as Utopian in any of the countries who became signatories. Indeed, immediately before Locarno, a vast majority of the leading diplomatists of Europe considered the whole negotiation as idealistic, sentimental, and doomed to certain failure.

COURAGE was requisite on the part of Chamberlain to take the line he did ; skill and authority were demanded to direct the negotiations at Locarno ; above all, it was indis-

Photo Elliott & Fry

SIR AUSTEN CHAMBERLAIN

24

pensable that the Foreign Ministers of France and Germany should feel confidence in the absolute integrity of the British representative. It was his power of inspiring others with a belief in his complete reliability which won the day by creating the atmosphere of possible agreement. Good faith contributed more powerfully to pacification than honeyed words—more than any subtle combination of intrigue reminiscent of the old diplomacy. In the relations established at Locarno, eloquence became unnecessary, and finesse gave way for a time to frankness and plain dealing.

After the Treaty of Locarno and the achievement of bringing Germany into the League of Nations, Chamberlain reverted to more simple tasks. His general attitude towards Europe was one of persistent attachment to France, and he incurred considerable criticism, since the influence in Paris which he sacrificed so much to maintain was unsuccessful in bringing about the evacuation of the Rhineland by French and Allied troops. This evacuation had seemed a natural and legitimate consequence of Locarno, and its prolonged postponement left the task of pacification incomplete.

There was, further, the question of relations between England and America. Regarding these, the public felt that Chamberlain was less friendly to an Anglo-American pact than to one between England and France. Matters came to a climax when it became public that a naval agreement had been arrived at between England and France, which was construed as being hostile to America.

In the General Election of 1929, the announcement that Chamberlain, in the event of a Conservative success, would remain at the Foreign Office, failed to secure for his party any notable accession of voting strength. While it was realised that Chamberlain had undoubtedly achieved much at the Foreign Office, it was thought that the possible advantages obtainable through his methods and his declared—

perhaps over-emphasised—attitude were exhausted. Close union with France had without doubt carried Europe through years of considerable difficulty, but the time had come when a new orientation would be at once safer and more agreeable ; Anglo-American amity became the leading objective in English foreign policy.

Chamberlain was not the man to deviate from his previous attitude or from his assured convictions. He left the Foreign Office with a record of unswerving fidelity to the French connection.

One is unaccustomed to associate exceptional wisdom or philosophic depth with a heavy cavalry physique ; it comes, therefore, as a surprise when the two are found in combination. And yet there is little historical foundation for underrating the ability of this particular type of manly build. Bismarck was structurally the Cuirassier: Tiberius and Vespasian appear from contemporary portraits to have been built like heavy dragoons. Whether Carl von Schubert will attain in history the plane of these historic personages may be uncertain, but he is of the same physical type, combining ponderous shoulders with the traditional cavalry walk. And he has the political sagacity of an old Roman.

The force of his intelligence is not apparent at first sight. Rather a stiff manner, no special verbal felicity—shrewd rather than quick ; a deliberateness which creates the impression of a mind slow to grasp new ideas. But the true explanation is not that he understands more slowly than others, but that he is resolved to understand better. This is the essential characteristic ; a desire to grasp thoroughly, to explore in every aspect—to master every detail before committing himself to a reply. Essentially German, but German in the best sense. So far does Schubert push caution that his habit is to decline to answer verbally, saying : " If you will allow me, I will send you a short memorandum to-morrow, giving my provisional reply."

And on the morrow the memorandum always comes : it is never short—it is generally earnest and exhaustive—the line adopted clear and definite. It is certainly not provisional, for there is rarely any subsequent change.

Admittedly such an attitude would not be appreciated in a Paris salon ; nor does it inspire admiration among the superficial and frivolous; but applied to serious affairs of

State it promotes in the highest degree the transaction of business, and the establishment of confidence between nations.

There is a prevalent misconception—dating from war propaganda—that Germans in general, and the German Government in particular, are exceptionally unreliable—that they are more than usually apt to break their word. It may be that since the Great War the European standard in this respect has been lowered. The new form of diversion devised by the Soviets of breaking engagements in pure malice may have led us to expect less. Possibly Germany has improved. To-day she certainly stands high in her reputation for reliability.

German negotiators may be, and perhaps are, difficult to deal with, slow to be persuaded, pernickety, and disposed to quibble on small points, over-careful, making an infinity of reserves and precise pre-conditions on conjunctures and developments which, in all human probability, will not arise. But once they sign an engagement, their written signature is good, as is also their spoken word. Such is my experience of the statesmen and the officials with whom I have had to deal, and I take pleasure in bearing testimony.

But to return to Schubert. It is difficult, in the case of permanent officials, to disentangle what is due to their own initiative from what is executed by them on the initiative of others. But the view in Berlin of those best able to judge is that if European pacification has made such considerable progress, it is in large measure due to the sagacity and moderation of the German Secretary of State.

The irony which appears to underlie so many of the workings of Providence was rarely made more manifest than when it cast Ramsay MacDonald for the rôle of Labour Foreign Secretary.

Public anticipation would have expected the first Labour Foreign Minister to be little conversant with continental ways or languages, and to be at once ignorant and careless concerning manners. It was easy to conceive the outraged feelings of Canning and Castlereagh, of Palmerston and Granville, when they ascertained in the Elysian Fields that their Downing Street mantle had passed to a Labour successor, and to imagine the elaborate explanations they devised in order to prove that this temporary indignity had not permanently dimmed the high tradition of their great office.

As it happened—or rather, as Providence in its irony ordained it—no apology or explanation was necessary. The first Labour Foreign Secretary was in appearance more distinguished than most of his predecessors in office ; in intelligence and personality, he had none of the deficiencies anticipated. A long, fore-and-aft, finely modelled head, deep-set eyes, well-cut features ; a tired, reflective air, suggestive of an exhausted aristocratic strain ; no aggressiveness, no stridency, but in their place disillusionment, calm and resignation.

In discussion, marked subtlety and some slyness ; profound knowledge of the arts of debate ; an aversion to the obvious and a rare preoccupation about the secondary effects of any given action—the mind attaching more weight to remote than to immediate consequences.

Somewhat unsimple and indirect—always calculating several moves ahead—a system which enables him to escape the danger of receiving an immediate checkmate, but which has also led to missed opportunities for a decisive stroke.

With so long an experience of Trade Union conferences abroad, he was more conversant with foreign men and foreign methods than most English Ministers. In knowledge of languages—whether desirable or not in a Foreign Secretary, and this is a moot point—he was not obviously their inferior. French, " as she is spoke " by successive Foreign Ministers in Downing Street, would be an interesting historical study—and conceivably one not devoid of unexpected conclusions.

Ramsay's skill in negotiation proceeded largely from his power of appreciating the internal difficulties of the other side. Accustomed through life to be supported by colleagues and companions, who were not averse to replacing him, and many of whom considered their claims as at least equal to his own, he recognised the necessity, in the spokesmen of either side, for extreme caution and for a vigilant eye on the benches behind. He therefore abstained from asking the impossible, and presented his demands in the form least likely to cause his opponent trouble at home.

In another sphere Ramsay belied anticipation. His knowledge of art, his interest in æsthetics, his capacity for discoursing intelligently on past masterpieces and modern developments—was far above the level of the average statesman. The National Art Collections had no better friend—no more intelligent supporter.

The artistic and cultural bias, which Ramsay MacDonald took pleasure in proclaiming, completed the disillusionment of those who had expected Labour to provide Ministers with rough and horny hands. The first Labour Premier might be credited with a more delicate sensibility and a finer touch than certain of his Whig and Tory predecessors. And in administration there were neither the anticipated defects of tact nor the anticipated elements of rough-hewn strength. He succeeded Curzon, and was popular both with the Foreign Office Staff and with Foreign Representatives at the Court of St. James's. There was no palpable or obvious break with tradition. One Minister of Foreign Affairs had succeeded another.

In many departments of administration Ramsay MacDonald held very definite views. He was credited with the intention of revising the conditions of selection and training for the diplomatic service, holding the present method to be liable to produce men of an exaggerated Oxford type, little versed in knowledge of the rougher outer world. One of his ideas was the creation of a diplomatic Sandhurst, specialising candidates for diplomacy at an earlier stage than is now done. Whether this scheme will ever see light, and whether if it does see light it will produce in its alumni the necessary acquaintance with the outer world, may be doubtful. It would seem that some other system must be adopted, possibly the German plan of fusing the diplomatic and consular services, or if fusion is undesirable, a more frequent interchange. The obvious defect of the diplomatic service to-day is insufficient acquaintance with commerce, finance, and with the world of politics. Experience is too narrow; contact with men and affairs too rare. Consular work and an early apprenticeship under Commercial Secretaries and Commercial Counsellors would certainly widen the present field of experience.

In another department Ramsay MacDonald was credited with subversive views, namely, a desire to suppress or largely curtail the activities of the Secret Service. His experience of this department concurred with the views of many who have relied upon it, namely, that the reports received are in a large majority of instances of no political value, based mainly upon scandal and tittle tattle, and prepared apparently with no discrimination as to what is really important.

The great achievement of his administration of the Foreign Office was the London Conference of August 1924, which adopted the Dawes Report, and settled—temporarily—the problem of Reparation. If overshadowed by the even greater importance of the Locarno settlement a year later, the London Conference which was presided over by Ramsay MacDonald with marked authority and tact, achieved a definite result. For the time being it removed from the path of international misunderstanding the question of Reparation Payments by Germany. Twelve international conferences had attacked this problem in vain; it had precipitated the fall of no less than thirty-nine Cabinets in the countries of Central and of Western Europe.

To this achievement Ramsay MacDonald has added in his second Premiership the great service to the Empire represented by his recent visit to the United States and Canada. In earlier days he had contemplated a series of lectures in the United States, attracted by the thought that such a tour might help in some degree to cement friendship between Great Britain and America.

At that time no one could foresee the probability of such an occasion as presented itself in 1929. As the first British Premier to visit the States in an official capacity Ramsay MacDonald not only discharged the duty of his high office with exceptional ability but won favour by his dignity and nebulous idealism. Whatever service he may subsequently render to the State, his mission across the Atlantic in 1929 will always be remembered as a powerful contribution to world peace, which depends in so marked a degree upon the maintenance of a close friendship between the United States and Great Britain.

CHAPTER I

JANUARY—FEBRUARY 1924

Visit to Fürstenstein—Observations by Czecho-Slovakian minister—Dinner with President of German Republic—Kühlmann on events in July 1914—Progress of currency reform—Maltzan and the recognition of the Soviet in England—Two Sub-Commissions of the Reparation Commission—Meeting with Dawes—General Hoffmann on the Hitler Putsch—Aphorisms on Reparation.

BERLIN, *January* 3, 1924.—A three days' visit to Fürstenstein, a fabulous castle in Silesia belonging to Prince Pless. Worthy of its reputation for size and luxury—about on the scale of Welbeck and Chatsworth; larger perhaps than either. Finely situated on an isolated hill dominating the plain, and having, in the Middle Ages, formed the key to the frontier between Bohemia and Silesia. The present Prince has made large additions to the house and introduced many modifications; among other things transferring kitchens to the top storey. The general style is that of a baronial castle rebuilt and modernised in the early part of the eighteenth century. The prevailing note in decoration is German Louis XV, but a great deal of English comfort was introduced by his first wife, Princess Daisy, a daughter of Mrs. Cornwallis West. The retainers, dependents and servants in the castle number about three hundred, without counting as many more at the Stud and in the gardens. All household details are extraordinarily well organised—magnificent liveries—an English butler, numerous footmen in powder—a chasseur in top boots and uniform who stands behind the Prince's chair, and a police dog, reputed to be very savage, constantly at his heel.

PERSONALLY, I detest display, and find it irksome to have two servants perpetually at my door. Magnificence should be reserved for rare—very rare—occasions.

CHAP. I

January 1924

The general impression at Fürstenstein is that of an old order which changeth not—but which, before long, is likely to disappear. To-day, the world will not tolerate hereditary wealth of this volume accentuated by ostentation and display. Something rather grand in a pompous way will vanish, but the sum of happiness in this Vale of Tears will hardly be diminished.

Early in December 1923, Dr. Beneš, the Czecho-Slovakian Foreign Minister, arrived in London, where he stayed until January 13. He visited Lord Curzon, now on the eve of relinquishing his tenure of the Foreign Office and of making way for Mr. Ramsay MacDonald, whom he also visited, together with the other leading members of the Labour Party and publicists of every political opinion.

Dr. Beneš was at pains to remove or attenuate the unfavourable impression created in London by the recent Franco-Czecho-Slovak Pact, which seemed to most people in England to be of a deadly militaristic character and to entail the complete vassalage of Czecho-Slovakia to France. Dr. Beneš was emphatic in his assurance that, beyond the text of the Pact which had been duly registered with, and published by, the League, there existed no military convention whatever, although the French Government and General Staff had desired the conclusion of such a Convention. Dr. Beneš added that it was his intention gradually to reduce the already diminished French Military Mission entrusted with the organisation of the new Czecho-Slovakian Army, and within a short compass of time to replace the head of that Mission, who was acting temporarily as Chief of Staff to the Czecho-Slovak Army, by a Czecho-Slovak General.

To the more obdurate critics of the Franco-Czecho-Slovak Pact, Dr. Beneš retorted that his country, owing to its several ex-enemy neighbours, was handicapped in its efforts to pursue its economic reconstruction free from external anxieties. He considered it his first duty to remove that feeling of insecurity; but this he could only achieve by obtaining the Military Guarantee of one or more of the Greater Powers. Of these, however, France was the only one willing to give such a guarantee. Perforce he had no alternative but to accept it gratefully, although he would very much have preferred an Anglo-French Guarantee.

January 1924

BERLIN, *January* 14, 1924.—The Czecho-Slovakian Minister has just returned here after an absence of two months.

IT is doubtful whether he is quite happy about the new Treaty between Paris and Prague. When I asked him what Beneš was after, he said: "The question is rather why did he choose the present moment to sign the Treaty? As a matter of fact it does not alter things very much or bind us to anything which was not previously understood. The French exercised immense pressure on us to sign this Treaty because they felt that Poland was still a weak ally. We were obliged to sign because of our pecuniary obligations to the Reparation Commission. Added to the public debt we have already issued, the sums due by us under existing contracts are so heavy that we could not bear them. The French have promised to get us out of our financial trouble and to bring in some 'C' Bond arrangement to relieve us. That is why we signed; but we were successful in refusing a military convention. We refused it already in the summer, and Foch, who then pressed it, now admits that we were right. He sees that one military convention inevitably creates another on the opposite side, and he is not too well pleased with the result of the Military Agreement with Poland.

"As for the supposed intermediary between France and Russia which was to be exercised by Czecho-Slovakia, there is just this much in it, that we have determined to follow England's example as soon as she recognises the Soviet Government. The French cannot afford to be the last in coming to terms—so that directly England signs, Czecho-Slovakia will follow, and France will make haste to come in too.

"THE Russians will make any promise which is demanded about recognition of pre-War debts. Not that their recognition will make much difference in a practical way, but Russia wants money. They are absolutely at their last gasp, and they cannot go on without funds from outside. They will sign anything and promise anything to get gold." As a matter of fact, the Soviet Government would sign anything—even without getting gold. For two reasons: (1) that they have no intention of carrying it out, (2) that they experience a certain malign satisfaction in making engagements with a bourgeois government which they have the definite intention of breaking.

Berlin, *January* 15, 1924.—The President of the Republic and Frau Ebert dined here on Saturday.

Considering he was a working saddler and that she began life in very humble circumstances, it is astonishing with what dignity and reserve they behave. Nobody would take a liberty with Ebert; even with the most aristocratic of the former Princes and princelings he would maintain his composure. One cannot say that he is agreeable, but he converses easily and with extreme good sense. Nothing original, but nothing false.

We invited rather a large party to meet them and had music after dinner. Everything went off well, although the party was composed of most diverse elements—some of the old German society, a few German politicians, two or three Jewish journalists, and a sprinkling of diplomatists. The frontiers between the different sections of society here are so clear and strong that it is quite a novelty for most Berliners to meet anyone outside their own particular set. On Saturday, so far from showing dislike of the new faces, each section was evidently glad to overstep the usual boundaries and to see something of a different world.

The British Embassy at Berlin is one of the best houses for reception I have ever seen. Built by the financier Strousberg about 1865, it has no particular style, except a Greek façade with a pediment. The decoration is anything but Greek; but the sweep of five salons leading to a large and lofty ball-room at the end of the vista gives an impression of size and dignity. If I had brought out pictures and works of art the rooms might have been made really beautiful, but, like all official habitations, this one suffers, in comparison with a private residence, from an absence of works of artistic merit. I have been on the point of sending for my pictures on many occasions, but have always refrained on account of insecurity. So that all there is in the Embassy now are pictures and tapestries I have picked up in Berlin, some of them decorative, but nothing of any great account.

Stresemann came in after dinner and was obviously in good spirits. I did not have much conversation with him, but I gathered that he had received from London a very friendly telegram stating that the Bank of England was ready to proceed with the creation of a gold note bank at an early date. The idea is that the State Banks of England, Holland and Sweden should participate.

Berlin, *January* 31, 1924.—At luncheon with Kühlmann to-day we discussed events in July 1914. He was then Counsellor to the German Embassy in London.

He only returned to his post from leave on the Sunday before the declaration of war.

Lichnowsky sent him at once to the Foreign Office, but he was unable to see Grey, who spent most of those days in Cabinet meetings. However, in the afternoon he went to Lord Haldane's house, where Grey was staying, intending to wait for him. As it happened, he met Haldane outside his own house, and they walked up and down the pavement a considerable time. Haldane appeared not to consider as certain the entry of England into the War. That, at least, was Kühlmann's impression. Grey came later and took a different view. Though he listened patiently to Kühlmann's argument, he evidently thought the die was cast; that England was bound in

January 1924

honour to enter the War. I asked Kühlmann—" Did Grey mean that England was bound in honour to defend Belgium, or to co-operate with France ? " He replied—" Rather bound to co-operate with France."

This view, however, does not agree with my recollection of events. I am clear that, without the invasion of Belgium by Germany, England would have remained—or at the lowest estimate might have remained—neutral in the first phase. On the day before the declaration of war, I sat next to Asquith at luncheon when the King of the Belgians' telegram arrived. Asquith handed it to me and said : " That will decide action by us." My strong impression is that, until the telegram arrived, he still hoped either for peace, or if not for peace, at least for the possibility of keeping England out.

To revert to the narrative of my conversation with Kühlmann, I asked him: " Did not the German Foreign Office know that the plan of campaign of the military authorities involved the invasion of Belgium, and did you not recognise that this must necessarily bring England in ? " Kühlmann said: " No—there was great secrecy between the Departments. The soldiers disliked and distrusted the German Foreign Office. The plan they eventually adopted, namely, passage through Belgium, had been devised by von Schlieffen fifteen years before, and was probably the only one sufficiently worked out to be of practical value.

" A few years before, I had been Chargé d'Affaires at The Hague, and had once occasion, in order to guide my negotiations, to ascertain whether there was any chance of Belgian neutrality being violated in the event of a great war.

" Only with immense difficulty did I obtain a declaration from the German Military Attaché at The Hague—' I am authorised to tell you that in certain events there would be some danger of the action you enquired about—viz., the violation of Belgian neutrality—becoming necessary.' "

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Kühlmann continued:

"So far as I know, the German Foreign Office had not sounded Belgium as to their attitude in case of their neutrality being violated. It would certainly have been dangerous to do so, and I do not know that any such action was even contemplated. I doubt whether the Chancellor had detailed information concerning military plans, nor had the Foreign Office any basis for a reasoned opinion about Belgian resistance.

"The man who really brought on the War and who deliberately faced the consequences of a great European contest was Count Conrad von Hoetzendorff, Austrian Chief of the Staff. For reasons which you will find in his book, he considered it indispensable for Austria to re-establish her authority in the Balkans, and he did not shrink from the consequences. The German Kaiser certainly desired to avoid war. This is clear from what occurred when he first heard news of the Austrian Ultimatum to Serbia. He was away on his yacht in Norwegian waters, and directly he received the telegram he called his intimates to the chart-house (as his habit was when any important news came) and read out the information, saying he had decided to return at once to Berlin. He then told the story of his grandfather, the Emperor William, who, in 1877 or 1878, had asked the Tsar whether there would be war between Russia and Turkey. The Tsar had replied through a confidential German military officer attached to his Court that there would be no war. This assurance proved erroneous. The next time the German officer saw the Tsar, Russian troops were marching to the front. The Tsar said to him, 'Remember what I told you, and you see what has happened. This is a war made against my wishes and in spite of my endeavours.' The Emperor William cited this story as a proof of the necessity for him to return to Berlin so as to prevent a war occurring against his wishes and in spite of his endeavours."

CHAP. I

January 1924

Discussing the naval development of Germany which, in my opinion, was the ultimate cause that made war with England possible or inevitable, Kühlmann said that he had always been against a dangerous expansion of naval programmes. That was the reason why the Nationalists hated him.

He told me that he had been on quite friendly, even intimate, terms with Grey, and had a great respect for him, but he thought that Grey took an excessive view of the obligations of England towards France. If Haldane had been Foreign Minister English participation in the War might conceivably have been avoided. The policy that he (Kühlmann) had advocated for England in the crisis which led to the outbreak of war,[1] and which he still believed to have been the right policy, was that England should abstain from taking sides in the War, but should mobilise and wait. After the first few battles she could then have dictated terms to the combatants, and imposed peace.

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[1] It is interesting to compare Kühlmann's advice with that reported to have been given by Roberts, Haig, and Kitchener. This is stated in the following terms in *The Decisive Wars of History*:

"Britain's contingent share in the French plan was settled less by calculation than by the 'Europeanisation' of her military organisation and thought during the previous decade. This continental influence drew her insensibly into a tacit acceptance of the rôle of an appendix to the French left wing, and away from her historic exploitation of the mobility given by sea-power. At the council of war on the outbreak, Lord Roberts, summoned from retirement, advocated the despatch of the British expeditionary force to the Belgian coast—where it would have stiffened the Belgian resistance and, by its mere situation, have threatened the rear flank of the German armies as they advanced through Belgium into France. But General Henry Wilson as Director of Military Operations had virtually pledged the General Staff to act in direct co-operation with the French. The informal military negotiations between 1905 and 1914 had paved the way for a reversal of England's centuries-old war policy.

"This *fait accompli* overbore not only Roberts's strategical idea but Haig's desire to postpone a landing until the situation was clearer, and even Kitchener's more limited objection to assembling the expeditionary force so close to the French and to the frontier."

January 1924

I DID not hesitate to tell Kühlmann that this policy appeared to me quite an impossible one. It would only have been advantageous or feasible in the improbable event of the first battles being undecided. If either side had considerable success, that side would not then listen to any intervention by England. The more one considers this scheme advocated by Kühlmann the less wise does it appear.

ON the other hand, I gather from Kühlmann that the possibilities of European War and England's attitude therein had not been under discussion during the earlier months of 1914. A gradual improvement of the Anglo-German relations during the previous two years had led Kühlmann to believe that a peaceful solution of difficulties might surely be arrived at by the same methods as those which had successfully settled the Balkan War crisis. When he left London for a short leave early in July, all the Anglo-German agreements had been initialled, and there were no signs of a coming war. As he was tired and overworked he went straight from London to his Bavarian mountain home, and remained there until, in July, a telegram from Prince Lichnowsky called him back to London. Kühlmann is clear in his recollection that no exchange of views, either written or verbal, concerning England's possible attitude in the Great War had ever formed the subject of correspondence between the Wilhelmstrasse and the German Embassy in London. There were two impediments to free discussion on eventualities : distrust between the War Office and the Foreign Office in Berlin ; possibly also a suspicion in the Wilhelmstrasse that it was wiser to keep the German Embassy in London uninformed, the latter being considered too pro-English.

TALKING of points of similarity between the Russians and Germans, Kühlmann said Russians had all the German faults somewhat exaggerated. Personally, I consider there

January 1924

is little analogy between the two nations. Germans are orderly, methodical, thorough, and to a great extent men of their word. The Russians are exactly the reverse—subtle, charming, unreliable, incapable of organisation, incapable of precision or punctuality, with little or no respect for accuracy or for a promise given. Without German help, which gave them backbone and solidity, it is doubtful if the Russian Empire would have been adequately administered. I doubt its being reorganised without further German assistance. The Jews who now rule are an inadequate substitute. They do not supply the essential Russian deficiencies, and they share some though by no means all of the Slav characteristics, besides having their own remarkable qualities, which are neither Slav nor German.

Regarding the prospects of the Sub-Commissions of the Reparation Commission, Kühlmann said that he expected it would end by a loan to Germany with which some of the French claims could be satisfied. I told him I was sceptical whether England or America would lend money to Germany in order to pay France and Belgium. It would have to be proved that by this means great advance towards political stability and European peace had been made. That proof was not at the present moment forthcoming.

Kühlmann, who has large industrial interests in the Rhineland and Saar coming from the estate of his first wife (a Stumm), told me he had often discussed Reparation with prominent French industrialists. Their opinion was totally opposed to the Poincaré policy, and he believed a solution would be found on something like the organisation of a Franco-German coal and iron combine of such a nature as to produce maximum output. He also thought that the claims of France could be satisfied by a loan—but the loan solution is easy to talk about, less easy to realise.

Berlin, *January* 31, 1924.—The progress of currency reform has been astonishingly rapid.

The last week of January is rendered memorable by the issue of a budget on a gold basis. Two months ago, such a thing was inconceivable. During the preceding three years, the deluge of banknote issues made it impossible to form any estimate of the national revenue and expenditure; now the finances of the Reich are being reduced to order by a Finance Minister who has little of the fairy about him, but who has the indispensable faculty of being able to say "No."

It is too soon yet to say whether the new order will prove stable.

Berlin, *January* 31, 1924.—We have not only a gold budget, but the Reparation Sub-Commissioners have arrived in Berlin. I hope three rules of veterinary practice will be observed. These are:

(1) The absolute necessity of not milking the cow before the animal has been got on to its legs.

(2) The advisability of not amputating the cow's legs as a step towards getting her on to her feet.

(3) The expediency of not bleeding the animal through ten or twelve different channels. After a temporary moratorium, payments must come through one channel. So far, a large part of the reparation paid by Germany has been wasted on the cost of the armies of occupation—this must amount to four-fifths of the total sum.

Berlin, *February* 6, 1924.—No one here is more pleased about the recognition of the Soviet Government by England than Maltzan, the Secretary of State. He remains faithful to his conviction or his prejudice that the Soviet can do no wrong, and that the only path of salvation both for Germany and England is a close alliance with Moscow.

He is somewhat obsessed with the idea that partly through the diplomatic skill of the German Ambassador in Moscow (which is undoubtedly great), and partly through his

CHAP. I — February 1924

aristocratic prestige, to which the Soviet are not insensible, Brockdorff-Rantzau can control Russian policy.

I MET the said Brockdorff-Rantzau, the chosen emissary of these ideas, for the first time last night. Quite the stage type of a somewhat degenerate and diabolical diplomatist of the old school. Precise deliberate manners and a general appearance suggesting, what is indeed the case, that he never goes to bed before 4 a.m., and never gets up before noon, seeking meantime to compensate nature for deficient and displaced sleep by perfumed cigarettes and innumerable drugs. However, Maltzan avers that his polished manners and distinguished origin, together with a very bitter tongue, have given him immense power with the Moscow dictators.

MALTZAN, who usually is not at all impressed with England's diplomatic position, declares that during the last three months everything has gone in our favour.

IN his opinion, the crowning stroke is, of course, the recognition of the Soviet, but there have been other favourable circumstances:

THE Italian Yugo-Slav Treaty;

THE friendship between Italy and Spain;

THE refusal of the French Loan by Roumania;

THE fall of the franc;

THE cordiality between England and America;

THE appointment of the Sub-Commissions.

All these events could not fail to bring France to the reflection that Poincaré had led her into isolation, relieved only by the still small voice of Beneš.

BROCKDORFF-RANTZAU has reported to Maltzan that at his last interview with Tchitcherin the latter had frankly said that now he had obtained England's recognition he was going to be less forthcoming towards Italy. He had contemplated giving very considerable privileges to Italy in the Ukraine and in the matter of Black Sea navigation, but he was examining if these intentions could not be whittled down. As regards France, he felt he could now afford to wait.

February 1924

TCHITCHERIN had declared that his policy in Central Asia would now be much less anti-British.

THE country really in a quandary to-day is Poland.

IT is quite clear that French support can only be counted upon by the Poles so long as there is no close understanding between France and Russia. As no country can possibly be friends at the same time with Russia and with Poland, France may have to choose between the advantages of the Russian heiress and the charms of the Polish siren. The difficulty for Poland is that there is really no alternative. The Czechs dislike them and the Germans despise them. England is too far off, and, like France, cannot sacrifice trade interests in Russia for the smiles of Warsaw. So, in last analysis, Poland has no one on whom she can count, except perhaps the Turks—a reflection which may show that cleverness, accomplishments and versatility are not the most desirable qualities in a nation.

BUT—since 1920, though I have been resident in Berlin, where the very wind is anti-Polish—I have always believed that Poland may astonish the world, if the crisis be grave enough. This nation has saved Europe from Asia on more than one occasion.

BERLIN, *February* 7, 1924.—The two Sub-Commissions of the Reparation Commission are leaving this week.

As regards the second one, under the presidency of McKenna, the members seem to be fairly unanimous that the amount of German money abroad is between £150 and £200 millions sterling, but that there is no means of bringing it back by force or menace. Therefore, as far as compulsory contribution to Reparation is concerned, it matters little whether it is £200 millions or £2,000 millions.

McKENNA is alert and acute as ever. Everybody who has seen him likes him. At luncheon the other day he

February 1924

made such friends with Stresemann that I thought they would embrace on parting.

The other Sub-Commission I am more doubtful about. Kindersley, who has a great record, prides himself on his independence, and has kept very clear of Bradbury and of everybody else who knows the pitfalls—so he may tumble into one or more of them.[1] I gather that before arriving in Berlin he had wild notions about what was possible and what was desirable. These have been slightly watered down here, but I expect the aroma of old misconceptions lurks in the glass. Stamp appears to have done exceptionally well, and to have impressed all and sundry by his profound knowledge of taxation and administration. By sheer technical mastery he has made himself the ruling spirit among his section.

The American President, Dawes, knows nothing of the detail and takes no interest in it, but he possesses a mysterious power of swinging American opinion. As with Baldwin, his authority and popularity have been attributed in part to his addiction to a pipe. Why should an inveterate pipe-smoker be trusted? Why is a cigarette-smoker of lighter metal? Why is a cigar-smoker ostentatious, a sensualist and presumably a profiteer?

Young, the second delegate, a youth of forty, has already made himself the head of the General Electric Company, and is said to outclass humanity intellectually. In conversation he is deliberate and reticent. The Americans, with their mania for booming everything, talk about his mind as being the most perfect of instruments. Some of his colleagues naturally say this is nonsense, but he has money and prestige behind him and the reputation for prescience in business.

Francqui is a forceful personality of the banker-condottiere type.

Most of the Professors who are attached seem to lack personality and the loud voice requisite, but the Americans, especially Kemmerer, are, in a quiet way, first-rate men. Whether Owen Young has grasped the political condition I rather doubt. It is important that he should. He appears too much inclined to propose that large sums should be paid to Belgium and France with a view to getting them out of the Ruhr.

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[1] This anticipation was not realised.

Rumour has it that the Commission, including the Belgians—indeed, notably the Belgians—is convinced of the necessity for France and Belgium to evacuate the Ruhr, at any rate as regards the release of industry from any shackles. If they do this, well and good, but I shall believe in the French delegates signing when I see it in black-and-white.

The following notes, which I made for my conversation with Kindersley two days ago, show the subjects I consider of primary importance:

(1) Ruhr. French withdrawal indispensable. Commission should visit the district.

(1*a*) Maintain currency stability at all costs.

(2) What will be German budget, both with and without Ruhr?

(3) Finality in Reparation, though desirable, is difficult.

(4) Sliding scale of increase in Reparation, proportionate to improvement of certain revenues.

(5) Concentration of the thirty-six heads of Reparation, which have been paid in the past, into one. Necessity of clearness and simplicity.

(6) Reduce cost of Armies of Occupation, so as not to spend on them 70 or 80 per cent. of total Reparation paid by Germany. This has been the proportion up to December 1922. In 1923 it was still higher, covering the Ruhr.

Berlin, *February* 7, 1924.—Stresemann, who lunched here yesterday to meet McKenna and Sir Josiah Stamp, com-

CHAP. I

February 1924

plains that his whole time is taken up with petty questions and minor bothers. There is no end to these. To-day there has been a great fuss because of too little sympathy shown, in that the flag of the German Embassy in Washington was not flown at half-mast as a sign of mourning for the death of ex-President Wilson.

Notwithstanding these worries, Stresemann seems to maintain his position, and is the sheet-anchor of the Government. The present combination is not a bad one—a conciliatory and deeply religious Chancellor, obviously filled with the best intentions but without parts brilliant enough to excite animosity; subordinate to him—in form rather than substance—a Foreign Minister who is bold, vocal and perhaps less orthodox, but with clear views and determination.

Since he has been in office Stresemann appears to me to have gained in wisdom and he has certainly gained in authority.

He has never been hostile to a settlement between Germany and France, if anything like reasonable terms can be obtained. His constancy, however, in this regard has never been put severely to the test, for Poincaré has remained narrow, negative and insulting.

Personally, I find Stresemann straightforward and reliable. Rapping things out in a high metallic staccato gives him such physical exhilaration that he cannot be either reticent or deceitful. No one ever delighted more in his own felicity of expression.

Stresemann, it is said, holds that there is no difficulty in declaring the Rhineland and Palatinate demilitarised in the extended sense that Germany would publicly renounce any idea of using these districts for military purposes, either in peace or in war, and bind herself not to do so.

It would have to be clearly understood that a similar obligation would be undertaken by France. German administrative and financial rights must be maintained intact. It would thus not be the creation of a new Buffer State, but a military prohibition by Germany and France over a certain portion of territory, so far as military preparation and warlike operations were concerned.

BERLIN, *February* 10, 1924.—I chanced upon the American experts this evening at the American Embassy.

MY first impression of Dawes was decidedly better than that formed by his colleagues on the Commission. Very shrewd and quick. Young, on the other hand, I thought rather solemn. He is said to be an abler man, but I should prefer dealing with Dawes, perhaps because he is more impressionable.

THIS evening he had just got hold of a new idea about which he was very enthusiastic, viz. to make Germany pay a given percentage on her total revenue, say 15, 20 or 25 per cent. The plan has novelty, and harmonises with my view that there must be something of the nature of a sliding scale; absolute fixity is not only difficult but certain to be wrong. Young came in afterwards and seemed less enthusiastic about Dawes' idea than Dawes himself.

HIS principles are " commensurate payment by Germany in proportion to Debt Charge in creditor countries." At first sight this sounds all right, but it hardly stands analysis: it is an endeavour to commensurate the incommensurable. In the case of England, France and America, the debt is owned to at least 90 per cent. by internal creditors: in the case of Germany the payment would be 99 per cent. external. What is the standard which measures the one in terms of the other ?

YOUNG replies to this that one could make the payments by Germany similar to internal payments by accumulating a fund in Berlin, such fund only to be exported as and when exchange permitted it, i.e. presumably when there is an excess of exports. In the event of the total sum not being

February 1924

exportable, the balance to be left to fructify in Germany—to be lent to banks, to industry and commerce. There are very obvious objections to this scheme, and I cannot conceive the creditors, particularly the French, leaving a large sum of money, most of which belongs to them, to fructify in Berlin with a remote chance of some of it coming out at a future time. Young did not say what would happen if this fund continued to increase and continued to remain unexportable, but he admitted that instead of leaving the remittance entirely to the discretion of the bank a fixed exchange should be named beneath which no remittance was to be made.

Dawes then reverted to the question of "gages," saying that it was essential to give France "gages" in order to get her out of the Ruhr. I objected to anything like peripheral gages, preferring control of—or advice regarding—central finance, or control of some specific revenues—nothing territorial or of a nature to segregate a district.

Berlin, *February* 12, 1924.—Met General Hoffmann again to-day at luncheon.

He has been away most of the winter at Munich, and has returned much disappointed with the foolish action of his nationalist friends. By his account, had he arrived in Munich a week earlier the putsch [1] would not have taken place. He explains what happened as follows:

Kahr had been in collusion with Ludendorff, Hitler and others, but less with a view to some violent step than with the object of exercising pressure on Berlin. He wanted to force Berlin to get rid of the Socialists and to take strong measures against Saxony and Thuringia, but Hitler, who was a wild enthusiast, could not be controlled. At the meeting in the Brewery, when they presented a pistol at his head and forced him to concur, Kahr already knew that his subordinate would take the necessary measures to bring in the Reichswehr to put down the revolt. Kahr defends himself by saying, "What was the good of my saying 'No' and getting shot? If I said 'Yes' it was certain order would be restored in a few hours."

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[1] The Ludendorff-Hitler putsch which took place in the autumn of 1923. See vol. ii, p. 52.

February 1924

HOFFMANN says Ludendorff has lost all sense of proportion. His head has been turned. During the War he was undoubtedly an admirable organiser and a first-rate General. For two years and eight months General Hoffmann worked as Senior Staff Officer under Ludendorff. He was neither agreeable nor friendly, but that did not matter. He was a marvellous organiser and a great soldier. Now they were no longer friends. A year ago they nearly had a duel as a result of reciprocal insults.

HOFFMANN declared as his personal opinion that the great military genius of the War was the Austrian Conrad. His was the strategical conception of breaking through into Russia. Conrad complained that Austria had been deceived by Germany.

THE military scheme agreed between him and von Moltke before the War broke out was that if the Austrians could hold their Eastern Front against Russia for thirty days, by that time the Germans would have beaten the French and would be able to send troops to their assistance. But the Marne came, and General Headquarters could detach no troops to support the Austrians. The German plan of operation had been to allow the Eastern Front to take its chance at the beginning of the campaign, concentrating everything upon a crushing blow against Paris. It was not according to plan that the Germans won the battle of Tannenberg. This occurred unexpectedly, because the Russian troops had no officers, and still less any higher leadership. Their divisional commanders were wretched. The General recalled the saying of Galliffet: "Give me the Russian soldier, the Prussian lieutenant and a French band, then I will conquer the world." Ludendorff was sent from the Eastern Front to the Western in August 1916. Within three months from that date Hoffmann, who was left on the Eastern Front as Chief of the Staff, had sent him 1,200,000 men, keeping only 800,000 in the East. He did not understand why Germany had not been able to gain a complete victory. He did not blame Ludendorff, because for the two years and eight months they worked together they had never held different views on any military subject. He could not therefore suppose that Ludendorff had lost his military capacity just at the moment of his transfer.

Talking of the relations with France he said that he had seen Rechberg, who had told him that he had recently been sent by Poincaré to Foch, and had spent three hours talking to him. Foch's only idea of policy was to keep his army of 700,000 men undiminished.

As for war between France and Germany, Hoffmann said: " Germany cannot fight. We have only one course, and that is to come to terms with France. If we don't we shall lose our industrial districts and our industrial liberty. Later on, of course, the diplomatic picture may change. France may get the whole of the Belgian coast and may concentrate the coke of the Ruhr, the steel of Lorraine, and all the mines and factories in France and Western Germany into one whole. England would then have against her a combination which she fought in the time of Napoleon, and Germany may assist her.

" But that kind of policy is impossible to-day: Germany would bear all the blows, and nobody would come to her relief."

London, *February* 13, 1924.—

Aphorisms on Reparation

1. No settlement of reparation possible without settlement of Security.

February 1924

2. No settlement of reparation durable without Currency Stability and Budget Equilibrium.
3. No agreement probable on any fixed capital figure.
4. THEREFORE a sliding scale; an indeterminate formula indispensable.
5. No financial stability in Germany attainable without:
    (*a*) RUHR restoration as an integral part.
    (*b*) A WATERTIGHT moratorium.
    (*c*) CURRENCY Stability to have absolute priority.
    (*d*) REPARATION payments to be unified.
    (*e*) RECOGNITION of the fact that payments in kind are as onerous as payments in cash, plus a factor of aggravation.
6. As " le mieux est l'ennemi du bien," an attempt at finality is the enemy of provisional agreement.
7. " LA recherche d'une solution définitive est interdite."

CHAPTER II

FEBRUARY—JUNE 1924

England's new Prime Minister—Stresemann on political future of Germany—Impressions of visit to London—American Ambassador on Reparation—Kühlmann's war reminiscences—The Kaiser at Doorn—Death of Czecho-Slovakian minister—The Prime Minister on present position—Stresemann and public opinion—The Crown Prince at Potsdam——Stresemann's position endangered—Maltzan on Security.

On December 6, 1923, the General Election resulted in the defeat of the Conservative Government by the combined vote of the Labour Socialists and Liberals. The following January Mr. Baldwin tendered his resignation to His Majesty the King and advised His Majesty to entrust Mr. MacDonald with the formation of the Labour Socialist Government.

CHAP. II — February 1924

London, *February* 20, 1924.—Arrived in London on Wednesday, February 13, and have seen a good many people since, including both old and new Ministers. The new Prime Minister, Ramsay MacDonald, makes an impression exactly opposite to that of a proletarian ruler. Nothing of force and vigour of the people—nothing muscular—but artistry and a certain languidness suggesting over-fatigue. They tell me that his policy, since he came into office, is not of the full-blooded type—great civility to Poincaré, profuse apologies about Lloyd George's indiscretions, and an extreme determination not to mar the development of events by premature action. The tendency is " Wait and see," dictated either by caution, or skill, or weariness.

The ex-Ministers are resigned to their fate. They have taken their fall as philosophers and as Englishmen. One of them (Curzon) said to me: " The change is terribly complete. A few weeks ago I was the centre of affairs and knew everything—to-day, as an ex-Minister, I know nothing—none of the papers of the Foreign Office come to me, and I get what scraps I can from the newspapers. A few weeks ago I thought I was swaying great destinies—to-day I know I am swaying nothing. But these sudden changes are common in English public life, and one must learn to bear with them."

THE Foreign Office people appear delighted with their new Chief. He does not hustle them nearly so much as the Marquess; treats them with great courtesy, and is much inclined to fall in with their views. This impression may or may not be permanent, but for the moment they are gratified.

ALL accounts go to show that Curzon had a desperate time in fighting not only Poincaré in front but a good many of his own colleagues on the flank and rear. There was a vast amount of intrigue between certain journalists, and certain politicians, with a view to getting rid of Curzon, or alternately, of arranging something with Baldwin without Curzon's help or behind his back.

CURZON's last action before leaving office, in making a strong stand regarding the Palatinate and the Rhineland railways, has attained full measure of success. He will probably receive no credit for it; people will say that the result was achieved more through the cooing of Ramsay than through the Ciceronian admonitions of his predecessor. But this will be unjust. The merit belongs to Curzon, aided not so much by Ramsay's politeness as by the impoliteness of the franc in falling from 90 to 105. The barometer of the success or failure of the Poincaré policy is the franc exchange. If it falls, Poincaré is amenable; if it rises, he reverts to type.

IN other words, he is as natural as he dare be, and his nature is not a conciliatory one. However, as this attitude is dictated by honest conviction and is supported by intense industry, by a stupendous power of work and by a supreme talent in legal controversy, it is quite incurable, and it will probably command the admiration of posterity.

March 1924

Berlin, *March* 4, 1924.—A conversation with Stresemann to-day.

He appeared much impressed by the revelations made in the Hitler-Ludendorff trial at Munich. It was clear from what emerged in court that the danger last November had been infinitely greater than the general public realised. He himself had always known that Germany had been within an ace of a serious and successful " putsch " from the Right, but official circles in Berlin had hitherto underrated the danger the country had gone through. It was fairly clear now that Kahr had himself contemplated measures against the Republic not less subversive than the schemes of Hitler and Ludendorff. It was also clear that Kahr had wide assurances of support from Northern Germany. The peril was the more acute in that the Berlin Government had only doubtful means of repression. The men of the Reichswehr were to a large extent partisans of the Right. The officers he considered more trustworthy from the point of view of the Republic than the men, and von Seeckt he considered quite trustworthy, but officers were not much good if the men were solidly opposed to them.

He had always held that the clause of the Treaty of Versailles stipulating that recruits should be engaged for twelve years was a fatal error. It made the Army a caste, a kind of Prætorian guard divorced from and in opposition to the mass of the people. It would have been much better if the Army had been recruited on the old short-service basis.

Stresemann went on to give his views of the immediate political future. He considered that there was abundant evidence of a swing to the Right. The next elections must give the Right a considerable victory.

The Social-Democratic Party had come absolutely to grief, and his own party—the Volkspartei—had not done much better.

Photo Central News

GENERAL LUDENDORFF

CHAP. II

March 1924

I ASKED the Minister what were the reasons for this change in opinion. In my judgment the present Government had to their credit considerable successes—they had brought about a marked improvement in currency conditions—they had obtained very favourable treatment regarding the 26 per cent.—in the Rhineland they had quashed the separatist movement—in the Palatinate a desperate attempt at secession had been foiled. How was it that the public did not recognise these achievements and reward them by an increase of confidence ? The Minister replied : " There are two reasons. The first is, hatred of the Jews. The mass of the people are discontented because they find that they themselves are poor while the Jews are rich, and they ask, ' Why has the Government allowed this ? ' In the second place, the unpopularity of the Government is due to hatred of the French. The man in the street says, ' Why has the Government allowed the French to bully Germany in such a way without replying in proper terms ? ' While everyone, who could think, recognised that it was impossible for a Minister for Foreign Affairs to act in the manner suggested, or to repel French aggression in any other way than that which the Government has followed, those who did not think declared that the German Government had been too weak and too conciliatory."

TURNING to the question of military control, Stresemann said that if the reports current in the Press regarding the new proposals of the English Government were correct, they would lead to considerable difficulty. Public opinion in Germany did not recognise any intermediate stage between the Commission of Control and Article 213 of the Treaty of Versailles—lawyers find in the Treaty no mention of the proposed Committee of Guarantee.

I POINTED out to the Minister that this Committee had been discussed on many occasions two years ago, and that it was generally recognised that an intermediate stage permitting the liquidation of the Commission of Control was advan-

March 1924

tageous to Germany and constituted a reasonable compromise between extreme views.

If the German Government wished to see the Commission of Control brought to an end, it was indispensable for them to adopt some practical solution, and not dig themselves in behind legal entanglements.

Had the negotiations of two years ago been brought to a successful conclusion, the Commission of Control would—for better or worse—long since have disappeared. At the end of our conversation to-day Stresemann said to me—" Are people in London at all anxious about another war ? " I said, " No—the general opinion is rather optimistic ; people believe that the Reparation Sub-Commissions will propose some acceptable plan, and that progress towards a general settlement will shortly be made. No one contemplates the possibility of another war for many years."

Berlin, *March* 5, 1924.—The main impression of my visit to London is that people there do not sufficiently understand the radical change in the political and diplomatic position since 1914. While they are beginning to be alarmed at French preponderance in the air and French military hegemony in general, they retain their old fear of German military preponderance. They superimpose a new apprehension on the old one, scarcely realising that the two are incompatible and cannot both be true at the same time.

The Prime Minister apparently regrets that there is not a freer interchange of thought between the Governments of Berlin and London. He complained that Sthamer is only able to reply as an official and avoids free discussion between man and man. I pointed out that in Berlin there was no reluctance to discuss with me with the greatest freedom, but that German approaches had hitherto been snubbed in London.

As regards the general position respecting Germany and respecting reparation, R. M. was disposed to postpone everything until the experts had reported.

Whatever else R. M.'s policy may be, it is essentially Scotch—there is no danger of it being either simple or direct. The P.M. has the rare quality of giving consideration to the secondary effects of any action he may undertake. People usually forget these, the Germans always.

The original impression created at the Foreign Office by the P.M., which was one of great rejoicing, is gradually giving way to apprehension. They are alarmed at his views regarding Lenin, namely, that his death was a great loss to the world. Moreover, they find their new Chief extremely firm on essentials in his discussions with Poincaré and with the French Ambassador. He has been particularly resolute regarding the Palatinate, demanding acts, not words—an attitude quite contrary to diplomatic tradition.

Also on the question of Singapore he comes into conflict with the Foreign Office preconceptions. They want the establishment of a naval base. R. M., as the idealist, prefers to rely on the action of public opinion. Physical force is antiquated.

So the official honeymoon is pretty well over.

However, the resentment of the F.O. against the haughty and inconsiderate Curzon is such that the devil himself would be welcome. C.'s misfortune is to have the lofty manners of a minor royalty without the incapacity with which they are normally associated. Everyone resents pretension accompanied by real ability. The justice of the claim makes its assertion intolerable.

Berlin, *March* 20, 1924.—The American Ambassador came round to see me last night to discuss the position.

Since the visit of the Reparation Sub-Commissioners he has rather altered his line. Previously he was strongly opposed to any excessive demands on Germany and

March 1924

extremely critical of French action. Now he takes the line that Germany has got to accept whatever terms the Sub-Commission puts forward, since the only alternative to acceptance is complete disruption and permanent occupation of the Ruhr by France. He is inclined to adopt wholesale the proposals of the Sub-Commission, believing them to have been inspired by Young, who, in his turn, he believes to be verbally inspired by Providence. He declares that the Nationalists, while outwardly against compliance with excessive demands, are, at bottom, ready to comply with anything.

It is increasingly clear that idealistic America is an uncommon hard creditor. Perhaps Baldwin depraved them. America argues—if Germany does not pay France, France cannot pay America ; if the sanctity of financial obligations is violated, America's claims will be ignored. This is well enough. On the other hand, unless general pacification is brought about no one will pay anybody. America will neither receive her debts, nor will she profit by the revival of trade which pacification would bring.

I am myself strongly in favour of falling in with American conceptions, provided that these conceptions possess any chance of workability. The desirability of working with America is dominant. Apart from the political side, the advantage of it can be measured by the amount of financial assistance America can give towards the restoration of business in Europe. If this assistance is large, Europe will put up with a good many erroneous conceptions. The question is—will it be large ?

Times have changed. Formerly it was said that any opinion formed by an American expert regarding problems in Europe had a strong " a priori " chance of being erroneous. The conditions were then too different. In America they had a rich country with a comparatively sparse population and a high natural return from the soil on a well-chosen investment. In Europe the population was dense, the problems incomparably more complicated than in America, national animosities violent. The man accustomed to "swinging" big business in America used often to come to hopeless grief here. It was the same with Colonials. Look at Hughes at Versailles. Rhodes was another conspicuous example. To hear him talk on European or even Near East problems was like listening to a child. Conversely, European experts are just as wrong when advising on American or Canadian propositions. To-day Europe is so Americanised that the old differences are vanishing and American opinion will more often be justified. Most of the big successes of later years have been made by men with American ideas using American methods.

Berlin, *April* 8, 1924.—Kühlmann lunched here to-day and was exceptionally interesting regarding the War.

He said that from the moment he left England in August 1914, he was convinced that Germany had hardly any chance of success. The odds against her were too great. It was impossible to fight an amphibious Power like England, supported by two great Continental Powers.

If Russia could have been eliminated from the War before the entry of America there might have been hope, not of success, but of conversations which would have led to a tolerable peace. He had always been against the unlimited submarine warfare, knowing full well that it would bring America in. He had done his utmost to stop it, but it was impossible to make any impression upon Tirpitz. When you had beaten Tirpitz in argument and thought you had convinced him, he reverted to his old opinions the next day, and said to the Kaiser and to the members of the Government—"All that this fool Kühlmann has been saying is nonsense."

Kühlmann fully confirms the great peril to the German combination with Turkey when the Dardanelles were attacked. He was almost Chargé d'Affaires at the time, as

CHAP. II — April 1924

Wangenheim was in a weak state of health. On the day of the bombardment of the Dardanelles by the Fleet the German Embassy at Constantinople received a telegram from the Dardanelles early in the morning saying, " The British fleet is advancing and will endeavour to force a passage."

Wangenheim wanted to stay at the Embassy and wait for news. Kühlmann said, " There is no good in that—let us have a good lunch and go for a ride. When we come back at 3.30 we shall ascertain what the result is. If the fleet is through, we have already sent all our baggage and tents to the Asiatic side and we can slip across ourselves."

They had a good luncheon and went for their ride. When they got back at 3.30 the Military Attaché was on the roof of the Embassy taking in signals and waving a white flag. He at once informed them that the fleet had not got through. So the tents were not wanted on the Asiatic side. What had been said about Turkish ammunition being exhausted when the fleet retired was absolutely correct. There were only thirteen rounds left for each gun. The broad strategic conception of an attack on the Dardanelles was sound, but the attack ought to have been pushed with much more vigour.

Perhaps an attack on Salonica would have been even better. The German front extended from Mesopotamia to the English Channel. The only policy for the Allies was to break through this somewhere. It did not matter where. Wherever and whenever it was broken, the whole strategical combination collapsed. This was proved by the break-up in 1918. Directly the Bulgarian front was broken the whole alliance collapsed. Kühlmann evidently thinks that this would have occurred sooner in the case of any break either at Salonica or the Dardanelles.

Discussing the reasons of the German retreat in the autumn of 1918, he said : " It was the despairing outlook,

April 1924

with no rift in the clouds, which broke us up psychologically. We could not hold out to our men any hope of fresh assistance or of favourable developments. When the English front was broken in March 1918, you were able to throw every single man into the line, because the Americans were behind you and fresh men were pouring into Europe. Every day their number increased. For us, later in the year, there was no such hope. Then again, our civil population was very badly fed, and that does not improve *morale*. There was no fodder for the horses, so that they could not gallop. Our artillery was unable to follow up and support a successful advance."

Kühlmann is nervous about the non-prolongation of the Micum contracts, and urges that £1,000,000 sterling should be found somehow, either by the German Government or by English Banks, to continue the deliveries to Micum for a month, during which the Experts' Report can be examined. He is convinced that Poincaré hates the Report, and will try to make troubled water to escape carrying it out.

I asked Kühlmann how it is that with wages in Germany so low and sale prices of finished articles so high, German industrials are not making large profits. He did not have any very clear answer, contenting himself with stating that in the steel industry, which he knows about, profits were extremely small. He referred constantly to the absence of capital in Germany, saying that investments had practically been blotted out by the inflation period.

He had a trust income of £4,500 a year, which had absolutely disappeared. Personally he had other resources, but most investors had nothing to fall back on. The marvel was that they survived.

Berlin, *April* 9, 1924.—The following story reaches me from Doorn.

The Kaiser is much happier since his marriage. The new

"Empress" is more like a private secretary than an Empress, but is a capable and well-read woman, who runs the household admirably and saves the Kaiser a great deal of correspondence. She is regarded as an intruder by the Imperial family, but takes this bad treatment with great tact.

The Kaiser's attitude is, "How can the Germans expect England to treat them well when the Germans behave so badly to Queen Victoria's grandson?" He imagines that directly he is back in power the English attitude towards Germany will improve.

The Kaiser retains the dynastic view of history, believing that all political acts proceed from personal relations between potentates. With the present generation of German royalties, this view will only leave them with life itself. Even outside royal circles, the Continental conception, and particularly the German conception of politics, is infinitely more dynastic than we are accustomed to in England. They attribute to King Edward VII a dominating influence upon English policy which would surprise the Prime Ministers of his reign.

Berlin, *April* 10, 1924.—The death of Tusar, the Czecho-Slovakian Minister at Berlin, has deprived the Diplomatic Corps of the Minister who was most closely in touch with German official circles. Tusar was particularly close to the Socialists, both Majority and Independent, and was an intimate personal friend of the editorial staff of the *Vorwaerts*.

I went to see him and his wife the day before he died. When I came in she said: "Vlastimil is telephoning to Beneš, but will be here in a minute. For the last three days (i.e. since the *Tageblatt* published the alleged Military Treaty between Czecko-Slovakia and France) he has spent every night telephoning to Prague. I try to prevent his worrying, but it is no good. Beneš and he are on the telephone the whole time." After talking for about ten minutes she got up and jestingly said : " I will go and see if Vlastimil is still alive—I hear no sound, and I don't know what he is doing." She went to the door of the next room and came back saying, " He looks so pale and ill that I am quite frightened, but he says he will come in two minutes." He came in looking very weary. Less than twenty-four hours afterwards he was dead.

Personally, I shall feel his loss severely as, of the Central European colleagues, he was the one with whom I discussed things most freely.

London, *May* 16, 1924.—The Foreign Office are quite definite on the subject of Germany's attitude towards the Experts' Report. They hold that it would be a fatal mistake for Germany not to accept the Report as it stands.

The Prime Minister considers that any hesitation on the part of the German Government will react to their own detriment and consolidate opinion against them.

Berlin, *May* 25, 1924.—Found Stresemann this morning depressed by the political situation and by the ingratitude of various political parties. There can be no question about the services he has rendered. Compared with conditions six months ago, currency has been stabilised; experts have produced a workable scheme for Reparation; Poincaré has fallen; the Ruhr is about to be restored economically to Germany. But individually Stresemann, who has been the principal agent in achieving these results, is unpopular. He is regarded as arbitrary and not a sound party man, so most of the political leaders would like to turn him out of office. It is a question whether his debating ability, which exceeds that of anybody else in the Reichstag, will enable him to keep his position.

Personally, I am convinced that no change would be for the better.

CHAP. II — May 1924

The idea of putting Tirpitz at the head of a German Government could only have occurred to a German National. Tirpitz made the gravest mistakes in policy both in the period before the War and during the War. He was the principal advocate of the German marine policy which rendered a conflict with England inevitable. During the War he was a strong advocate of a ruthless submarine development, having before the War been one of the last to recognise the utility of submarines.

If the Germans want to bring about a concentration hostile to them I do not think they could take a step more appropriate than putting Tirpitz in as Chancellor.

Regarding the conduct of immediate negotiations, I am more than ever convinced that the most satisfactory method would be to obtain the signature of an overhead agreement between the Allies and Germany—all parties agreeing to adopt the Experts' Report and to carry it out integrally and rapidly. Once this signature has been obtained a new epoch will have been entered upon. Until it has been obtained the danger of a relapse to the old basis will subsist.

The Germans constantly point out that so far the French Government have not given any formal adherence to the Experts' scheme. This is one danger. Another is that the Germans themselves are not formally committed to full execution.

The Experts' Report has many merits. Among others this one—that it is regarded by the Americans as their child—they treat any criticism of it or any hesitation to apply it almost as an insult to the American flag.

The American Ambassador here, who is in close touch with many German financial circles, is optimistic regarding a solution, saying that things will " iron out." He regards the hesitation of the Nationals to enter a coalition as inspired less by reluctance to accept the Experts' Report than by a desire to bargain about what places in the new

Government shall be reserved for their men. Stresemann takes the contrary view, and thinks that the Nationals want the Experts' Report put into force, but do not wish to assume the responsibility of signing it.

Berlin, *May* 27, 1924.—Maltzan this morning said that it was now certain that Stresemann would remain as Minister for Foreign Affairs in any new Central combination. He (M.) would be Secretary of State. He felt convinced that the Tirpitz idea would have to be abandoned, but he expressed surprise that more hostility to it had not been shown by the English Press. He attached importance to the memo. prepared by the Central parties, indicating their attitude of acceptance of the Experts' Report, and said that Ebert had decided only to entrust the formation of a Government to Hergt or Tirpitz if they agreed to the conditions laid down therein.

Maltzan is much cooler towards the Russian alliance than he used to be. He has evidently found the Russians disagreeable to deal with during recent incidents.

Berlin, *May* 27, 1924.—From a confidential source, I learn that the Crown Prince, who is now living at Potsdam, declined to be present at the unveiling of the monument to the Garde du Corps which was held at Potsdam on Saturday. The Crown Prince proposed, however, to attend the dinner which took place in the evening. His ex-comrades appear to have been offended by this attitude, and to have replied that if he did not attend the unveiling of the monument they saw no point in his being present at the dinner.

Speaking generally, the Crown Prince up to the present is behaving with rare discretion. He has attended one or two small dinners in the diplomatic circle in Berlin, but has taken no part in any large function. He is said to listen to counsels of moderation and reserve given him by the Wilhelmstrasse.

Berlin, *May* 30, 1924.—A desperate struggle is going on regarding the Ministry for Foreign Affairs. Marx and Ebert[1] remain faithful to Stresemann, and point out that if the foreign policy of the old Government is not to be changed, there can be no sense in changing the Minister. The Nationalists reply, that while to a certain extent they approve the policy, they would make themselves ridiculous if they joined a Government which contained Stresemann; their whole campaign had been based upon abuse of him.

I met Stresemann last night at dinner and found him full of bitterness; less confident than before of a successful issue. He said the ignorance of the German Nationals, particularly of the country party, regarding foreign policy was almost incredible. One could not discuss foreign policy with them, for they said they were totally indifferent to the opinion of foreign countries.

He went on: " In other countries the successful conduct of foreign affairs brings about confidence in the Minister. Here it only produces envy. Of the members of the old Government, the only ones who are willingly accepted by the Nationals are those who are the least important. One of my old colleagues never understood what was going on either in the Cabinet or in his Department—he is the one they acclaim. Events like this which are now going on make one realise what Bismarck meant when he said, ' Ich habe die ganze Nacht gehasst.' "

I gathered that Stresemann's correspondent in Paris, who is a large industrial, keeps him in pretty close touch with the views of the group of the new Government. He telephoned yesterday to Stresemann saying that the appointment of Tirpitz or any pronounced Nationalist character in the German Government would not only render it impossible for Herriot to carry out the conciliatory policy he contemplated, but would gravely endanger the existence of the French Government, and possibly bring about the return of Poincaré. Stresemann replied: "There is no good in telling this to me, you had better telephone it to Ebert and to Marx."

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[1] See vol. i, p. 304.

Stresemann said that there were two circumstances which fought against a reasonable policy in Germany. The first was that the Berlin Press had no sensible Christian organ. It was divided into two sections—the Nationalist section, which was Christian, but entirely ignorant of foreign affairs and nationalistic; the Democratic Press, i.e. the *Tageblatt*, the *Vossische*, and the *Uhr Abendblatt*, although very intelligent, aroused suspicion on account of their alleged racial colour and the accusation that they were controlled by Semitic influence.

Moderate Christian views found no expression in the Berlin journals. It was somewhat better in the provinces. The second danger was the women's vote. The women in the Volkspartei were all monarchical, and throughout the country the tendency among them was to be either monarchical or communist—one ideal or the other. Women had no sense for "Realpolitik."

Reverting to the characteristics of the German people, Stresemann said that all leading German statesmen met with more opposition and envy than would be the case in any other country. After the 1870 war, in which Bismarck had rendered incredible service to the Fatherland, a campaign was started by a certain newspaper against him on account of his close relations with Bleichroeder. He was accused of having made money through Bleichroeder's speculations. Bismarck replied to these attacks by saying that no decent member of society would take in a newspaper which lowered itself by such libellous writing. The result was that the Empress Augusta at once took a subscription for fifty copies of the paper. Bismarck always had difficulties with Court circles; even more with the Empress Augusta than with the Empress Frederick. One day one of the Court Chamberlains omitted to bow to him as he was on his way to an audience with the Emperor. Thereupon Bismarck exclaimed: " It is disagreeable to frequent a house where the servants are insolent." After this he was treated with greater civility.

Discussing the resignation of Bismarck, Stresemann said that when Bismarck became convinced that the Emperor wanted to get rid of him, he arranged to have two articles published, one in the *Pester Lloyd*, and the other in the *Hamburger Nachrichten*. The writers stated that the Chancellor would have to retire if he did not obtain greater support from the Throne. Bismarck expected that there would be an outburst of indignation from public opinion, but nothing of the kind occurred. On the contrary, people said: " It is about time the old man retired." Bismarck had completely miscalculated the warmth of the gratitude felt by the German people.

The popular tide only turned in the Chancellor's favour some time after he had resigned. Bismarck's last years, when the public understood how greatly his guidance was needed, were probably the happiest of his whole career. So long as he was in office, he had nothing but trouble and opposition.

When M. Herriot became Prime Minister—June 15, 1924—the two main points of his foreign policy were : the speedy execution of the Dawes Report and the continuance of the Ruhr pledges until the functioning of the guarantees provided for by the Report.

M. Herriot visited England on June 22, 1924, and spent the week-end at Chequers with Mr. Ramsay MacDonald. The outcome of this visit was that a " moral pact " of co-operation, proposed by M. Herriot, was accepted by Mr. MacDonald, the chief features of the " General Agreement " being as follows :

(1) Immediate putting into effect of the Dawes plan when the Reparation Commission had reported on the acceptance of the draft laws, etc.

(2) As soon as the organisations under the plan had begun to function, re-establishment of Germany's economic unity

and the consequent withdrawal of the system of productive pledges.

(3) SUMMONING of a conference on July 16 in London to deal only with the putting into force of the Dawes plan.

IMMEDIATELY on his return from England, M. Herriot visited Brussels, where he consulted with M. Theunis on the measures necessary to put the plan into effect, the conversion of the policy of pledges into guarantees under the Dawes plan, and the renewal of the M.I.C.U.M.[1] contracts, pending a final settlement of the reparation problem. The Belgians, however, did not appear to be too pleased at the idea of renouncing the military occupation before the effective coming into force of the Dawes guarantees.

FRENCH opinion was alarmed at the result of M. Herriot's visit to England, doubtless considering that he had gone too far to meet the British point of view. The French Senate adopted such a threatening attitude that Mr. Ramsay MacDonald paid a hurried visit to Paris on July 8 in order to confer again with the French Prime Minister.

THE events leading up to this " incident " were fully set out in a White Book, published on July 8, which dealt with the following points :

Limitation of the " ordre du jour "

(*a*) IN a telegram of June 23 to the British Ambassador in Rome, it was pointed out that the coming Conference would be limited to a discussion of the Dawes report, and that the question of security and inter-Allied debts would not be raised. The principal task of the Conference would be to agree upon an instrument which would bind both the Allies and Germany. In order, however, to avoid the appearance of changing the Treaty of Versailles, such an instrument should take the form of a protocol. Further, it was the opinion of His Majesty's Government that some date should be fixed by which Germany would have carried out all the necessary measures, and that some later date (perhaps after two weeks) should be specified when all economic and fiscal sanctions should be removed. As regards sanctions in case of Germany's default, it was the opinion of His Majesty's Government that it should not be left to the Reparation

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[1] M.I.C.U.M. This was Mission Interalliée de Contrôle des Usines et des Mines. An agreement between M.I.C.U.M. and the German Government had been signed on November 23, 1923, regarding payments by the mines of certain coal taxes and sums towards reparation. See vol. ii, p. 286.

CHAP. II

May 1924

Commission to determine such cases, but preferably to some body like the Finance Committee of the League of Nations.

Great Britain's Five Points

(*b*) In the view of His Majesty's Government, the protocol should deal with the following points :

(1) Acceptance of Dawes report by the Allied Governments.

(2) Germany to fulfil all measures of execution by a certain date.

(3) Two weeks later all economic and fiscal sanctions to be lifted.

(4) Allied Governments to undertake not to apply sanctions except in cases of flagrant failure, and such cases to be examined, not by the Reparation Commission, but by some independent body, inasmuch as the obligations that Germany would undertake under the new scheme went beyond the provisions laid down in the Treaty.

(5) All difficulties in interpretation to be sent to arbitration.

Invitation to Germany—a revised " ordre du jour "

(*c*) When the Inter-Allied Conference had agreed, Germany would then be invited to a Conference.

On July 8–9, 1924, a decision was reached in Paris, which fixed the proceedings at the Conference to be called in London on July 16, 1924.

Berlin, *June* 6, 1924.—The following is the position.

The Reichstag has adjourned until June 24, so that the field is clear for negotiations during the next three weeks.

If the Herriot Government comes into power in France, Ramsay MacDonald will have a marvellous opportunity to clear up the Reparation question and, with it, many of the other questions which have retarded the pacification of Europe. So far as the German Government are concerned, they are prepared to negotiate not only on Reparation, but on Security, Micum contracts and Military Control. It may be held that it is wiser to restrict discussion to the single point of carrying out the Dawes Report. This, however, is by no means certainly true. I have always myself inclined to the opinion that the key to a general solution is an agreement regarding Security.

CHAP. II

June 1924

If this problem is solved everything else follows. A frontier line guarded by an international gendarmerie under the League of Nations is a solution for which a great deal of support could be obtained here. The Ruhr invasion has had one beneficial effect, namely, to convince the Germans that, under present military circumstances, they require international protection more than France does.

I AM deeply convinced of the need for rapidity in the negotiations. The present German Ministry is certainly more disposed to enter upon a sensible agreement than any of its probable successors. Its authority will not last long if it does not achieve some definite result in the direction of pacification. It has therefore every inducement to negotiate rapidly. Stresemann is certainly the boldest negotiator likely to be available in Germany, and the one most inclined to take risks in order to obtain a general understanding.

THERE is therefore every reason why the Allied Powers should endeavour to utilise the present opportunity to come to a general settlement. As I have said before, it may be wise to restrict this to Reparation, but personally I should incline to the bolder course, and endeavour to settle all the outstanding questions. The whole may be greater, but not more difficult than a part.

BERLIN, *June* 8, 1924.—The day after the ministerial victory in the Reichstag I telephoned to Stresemann for an interview, as I was anxious to discuss with him the possibility of rapid negotiations not only regarding acceptance and execution of the Experts' Report, but also regarding other matters—notably, Security. I found, however, that Stresemann had bolted to the Harz for three days' rest after his very severe struggle of the last three weeks.

I THEREFORE talked the matter over with Maltzan, and put it to him that it might be expedient to endeavour to reach a settlement regarding Security as well as regarding

Reparation. I underlined that this was merely my personal idea—I did not advocate the course, but merely suggested it as a subject for consideration. We discussed the matter for some time, Maltzan being rather inclined to think that any settlement of Security would afford the opposition too good a ground of attack on the Ministry. I upheld the view that a satisfactory settlement of Security for Germany, carrying with it a rapid evacuation of German territory now occupied by Allied troops, would constitute a trump card for the Government which achieved it.

At the end Maltzan said he would talk the matter over with Stresemann and Schubert.

Berlin, *June* 8, 1924.—I hear from Paris that Painlevé is in favour of obtaining Security for France by the establishment of a line of international gendarmerie along the Franco-German frontier. If this story is true, I am fairly confident that the German Government might be brought to accept it. Once Security is established on a bilateral basis, minor questions, such as military control, the Rhineland status, and the entry of Germany into the League of Nations, solve themselves.

Berlin, *June* 16, 1924.—I am raising again the question of Security, and have written to London that it is by no means impossible to obtain for France real Security over and above that contained in the Treaty of Versailles. My conviction is that Germany is prepared to give serious guarantees provided they do not affect the sovereignty of the Reich in the Rhineland, and provided they are exchanged as between independent sovereign States. It goes without saying that no arrangement would be accepted here which involved the extension of the periods fixed for the occupation of the Rhineland. The strongest inducement to German public opinion to accept a watertight security agreement would be the curtailment of the Rhineland occupation.

Photo E. Bieber, Berlin

CARL VON SCHUBERT

CHAPTER III

JUNE—SEPTEMBER 1924

Graf Kessler on lecturing in America—Germany and the Micum contracts—Germany's reply to Note on Military Control—Ramsay MacDonald's visit to Paris—Kaiser and Crown Prince—German delegates leave for London—U.S. Secretary of State in Berlin—Divergence between German Foreign Office views and public opinion—French Ambassador on Security—The London Conference—Acceptance of Dawes Report—Its reception in Berlin—Financial and political tension relieved.

BERLIN, *June* 20, 1924.—Graf Harry Kessler had luncheon here yesterday.

HE has just returned from a six months' tour in the United States. What he called "lecturing" was more or less propaganda. He appeared to have travelled over the whole country. I gather from others that his tour was not a complete success, the most convincing speakers on behalf of Germany in America having been Cuno and Hermes.

HOWEVER, his observations on the States have not lost their point through his comparative failure as a propagandist.

HE praised American hospitality and their extreme anxiety for information, but he says that in twenty-four hours they have forgotten all the information they obtain.

A PROPAGANDIST who judges by the newspapers the day after his arrival in New York or the day after his making a speech may be pardoned for imagining that he has powerfully influenced the opinion of the country. He will find, however, three days later that everyone has forgotten his name and no one remembers on which side he spoke.

AMERICAN idealism is quite real, but it begins after business hours. From 9 to 5 there is nothing but hard cash.

THE one subject you must avoid in America is the League of Nations. Directly you touch it there is a shout of reprobation.

HE said that among politicians and thinking people there is a strong feeling for England, but the lower classes are still fundamentally if not violently anti-British. On the other hand, the sentimental feeling for France continues, with the reserve that this does not include approbation of Poincaré's Ruhr policy.

Kessler believes that there is a large amount of money in America available for investment in Europe if existing political apprehensions can be calmed.

He gave me quite new ideas regarding banking conditions in the Middle West, saying that the number of failures of banks who had advanced money on farm property was immense. He also underlined the great divergence of interest between the different parts of the United States territory, hinting that a fiscal separation was more than possible, although the political unity of the States would be maintained. The farmer wanted free trade in which to buy cheap working material, and a free market for his produce. Farmers felt that they were being exploited now by manufacturers in the East. He believed it would be possible for the Middle West to be free trade, the East and sea border remaining protectionist.

Berlin, *June* 30, 1924.—The Germans complain a great deal of the Micum contracts. However, what troubles the German Government even more is the question as to the status to be accorded to Germany at the London Conference.

Questions of form in London will have a great influence on the attitude of the German delegates.

Berlin, *June* 30, 1924.—We have had a very hard and exciting week over the different drafts of the German Reply on Military Control. I told the Government that the tone of their reply was a matter of supreme importance—that they had an opportunity to alter the whole atmosphere of their foreign relations if they adopted the statesmanlike

June 1924

note of the Joint Message.[1] After innumerable drafts (I believe there were no less than fifty-one) Stresemann took the matter into his own hands and produced a text which has finally been accepted by the Government. I have not seen it, but Stresemann says that it satisfies fully all the conditions laid down: critics less partial than the author are also pleased with the production. But there is a strong tendency in the German mind to start every memorandum with a series of conditions and reserves, and I doubt these ever being wholly absent from any document written in the Wilhelmstrasse.

The general atmosphere is favourable. The Joint Message exercised a most beneficent influence. Even the Nationalists themselves are mild about it, and their papers relatively reasonable.

The progress achieved in the course of the last month is considerable. Indeed, things look so well that one is afraid of some accident or catastrophe.

The Germans themselves would not give as favourable a report on the situation as that stated above. They are under the shadow of their grave financial difficulties—money almost unobtainable. They also complain bitterly of the Micum contracts, but I have always thought they rather overdo the shadow in this part of the picture. It is clear, however, that no time is to be lost in getting rid of the Micum and installing the Dawes régime.[2]

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[1] The Joint Message referred to above relates to a Note sent by the Inter-Allied Governments to the German Government on May 28, 1924. The Allied Governments, while declining at this stage to acquiesce in the German suggestion that the task of supervising the carrying out by the Reich of the as yet unfulfilled Disarmament clauses of the Treaty of Versailles should be entrusted to the League, proposed to Berlin the following compromise:

A general inspection would be carried out by the Inter-Allied Commission of Control inside of three or four months and, provided that no obstructions were met with and that no serious breach of the Treaty were discovered, the Military Commission could then be substantially and progressively reduced, pending the transfer of control to the League of Nations.

[2] See p. 72.

CHAP. III

June 1924

There is another anxious subject of preoccupation here, namely, the precise position of Germany at the London Conference. They are afraid of the effect on public opinion if there is first of all a Conference of Allied Powers, and if Germany is only called in at a later stage. I have told them how explicitly it has been laid down that there is no intention of presenting Germany with ready-made and unalterable decisions. This, however, has brought them little comfort. It might be expedient, when the time comes for establishing precise procedure, to take their susceptibilities into account, i.e. that the invitations to arrive in London should be simultaneous, although the Germans would necessarily not attend the earlier meetings. They must be invited to dinner, even if they only come down to dessert.

The Marx-Stresemann Government are as anxious to arrive at pacification as any Government can be—and they deserve encouragement. But they have to face severe parliamentary difficulties.

Berlin, *July* 11, 1924.—The broad result of Ramsay MacDonald's visit to Paris has been well received here in the more intelligent Government circles. As usual, when any improvement is achieved in the relations between Paris and London, certain elements say that Peace has been restored at the expense of Germany, but no sensible person regards the Paris result as otherwise than a fact of great benefit. It was essential to save Herriot and the Conference.

The points in the Paris agreement which arouse most anxiety are the following:

(1) It is said that the bilateral character of the understanding is not clear, i.e. the fact that Germany only agrees to assume the obligations of the Dawes report against a definite agreement by the Powers to do certain things by a fixed date.

(2) Nothing is said about military evacuation, Stresemann declares, and is, I think, sincere in declaring that he cannot meet the Reichstag without a definite date for evacuation. A series of fixed dates not too widely spaced would meet his needs.

He has recently receded from the position that he could not accept any subordination of evacuation to the issue of a portion of the loan.

(3) Invitation to the Conference. The Germans are never tired of reiterating that anything of the nature of dictation would ruin the chances of agreement. There must be discussion, deliberation and free acceptance by Germany.

I am not far myself from the view that the Germans might conceivably be better off if they did not go to London. At Spa, at Genoa and in London their presence did not do them much good, nor did it help the negotiations, but things have now gone so far in the way of publicity that non-invitation is difficult and would probably be considered an affront.

The expectation here is that the necessary legislation would not take long to pass, provided everything went smoothly in London and the general agreement was settled without much difficulty. Experts in Reichstag procedure consider that everything could be concluded before the middle of August.

Berlin, *August* 2, 1924.—A conversation to-day with one of the most acute observers of political conditions in Berlin, who asserted that a return of the Emperor to the throne was out of the question.

The Kaiser had not only been a failure in the War, but had behaved like a coward and not like a gentleman in escaping to Holland; also by showing so much preoccupation about saving his own fortune.

It was impossible to get information to the Emperor

August 1924

during the War. The Empress was a bad influence, keeping all unfavourable news from him and thereby impeding the chance of peace negotiations. Apart from this, the Emperor was not an easy man to check or control. Once, when the Controller of the Household ventured, after a great deal of hesitation, to remark that the new electrical lighting of the White Ball-room at the palace had cost a great deal, the Emperor at once replied: " It has cost so much that I shall do with one Controller of the Household less."

The Crown Prince was now almost as unpopular. My informant had been in the Crown Prince's army during the War, and His Royal Highness's conduct had been far from exemplary. He did not know whether the stories usually current about women at headquarters were true, but it certainly was true that at the time the army was losing heavily in the Argonne, and immediately before an attack in which they had 2,000 killed and wounded, the Crown Prince, dressed in tennis flannels, saw them off and waved a racket at them. He told another story of the Crown Prince—that when ambulances were working day and night bringing the wounded into field hospitals he sent a peremptory order for one or two ambulances to come back in case there should be accidents at his pony races.

In the judgment of this observer, no restoration of the monarchy was likely, at all events for a long time, because the present grown-up representatives of the Hohenzollern family were most unsatisfactory and the Crown Prince's children still young and quite unknown. As regards the Wittelsbachs, a Catholic king is impossible in Berlin and for North and East Prussia.

The same informant told me that the corruption prevalent in Germany to-day amongst officials is appalling. You can get anything with a bribe. Before the War bribery was unknown—scrupulous honesty was the universal rule.

I ENQUIRED whether it was true that there had been a great increase of immorality amongst women. He said, " No. The position has remained just what it was."

HE was totally unable to explain the extraordinary contrast between the real poverty which existed to his own knowledge in many classes, and the apparent profusion and extravagance going on in certain circles in Berlin. He said: " You ought to go to Luna Park one night after ten o'clock. You would find everybody drinking champagne at thirty marks a bottle, and the clearest signs of extravagance."

WE went on to talk about the position of doctors in Berlin. He agreed that there are far too many of them, but he said that students, especially Jewish students, come to Berlin and, not wanting to go back to provincial towns, look about for a rich wife. Most Jews like to have a doctor in the family circle, because then what they spend on medical fees does not go out of the family. So they give Jessica and her ducats to the young doctor, and both parties are satisfied. To-day the investments which came with the rich daughter have vanished to nothing through the inflation, so the doctor has to work and finds it very difficult to extend his clientele. I told him that in Australia the leading surgeons find that the number of their operations depends mainly on the rainfall. If there is a good rainfall, squatters feel that they can afford an operation, and come into Melbourne or Sydney to have it done. In a drought they just jog along with their disease as best they can. He said in Berlin it is slightly different. They have operations when they think they require them, but they only pay for the operation when there is a good crop. It is useless to send a bill to a landed or agricultural client if the harvest is bad. He told me that a leading gynæcologist had said that he treated from 500 to 600 cases of miscarriage every year, and that it was a high estimate to say that 5 per cent. of these were natural; 95 per cent.

were intentionally induced. It was a great mistake to suppose that unprovoked abortion was at all a common event. In cases where it was natural it was generally caused by a syphilitic taint in the man, and syphilis had been prevalent after the War.

We went on to discuss a physical phenomenon that has always interested me, that is, the special characteristic that is called here a "bacon-neck" or "bull-neck" ("stier nacken" or "speck falte"). My friend was not aware of the undoubted fact that this phenomenon is peculiar to Germany—in my opinion peculiar to certain races in Germany. I do not believe that the Jews of pure blood have it. He undertook to investigate this point. He was also unaware that the average German skull is exceptionally small, much smaller, for instance, than the English and more round. It is extraordinary what an amount of acquired knowledge is lodged in so restricted a space.

In the course of a long conversation he referred to the old theme that the real danger of a future war comes from the feeling prevalent amongst the German people that they were not fairly treated after the Armistice, and that the Allies, particularly France, were determined to keep Germany down. This led to many classes in Germany thinking that there is no way out except by a fresh war. When they say this they have no idea as to how that war could be waged in the present unequal condition of armaments, but they feel that the present position is hopeless and that something should be done to find a relief.

Berlin, *August* 5, 1924.—The German delegates have at last left for London. There can be no doubt about their anxiety to arrive at a settlement. In the first place, the financial position here is such that some solution is urgently required. Public opinion is behind the Government on conciliation provided a date is fixed for the military evacua-

CHAP. III

August 1924

tion of the Ruhr; without this Reichstag approval is doubtful.

The Germans will ask that French troops should quit the Ruhr at the same time as the British troops leave Cologne, but if a formal engagement was taken for evacuation to take effect a few months later, I believe it would be accepted. There are minor points about which some discussion will arise, but nothing serious, provided the Delegation is treated with courtesy and consideration. The importance of this latter point is always underrated. The report that rooms have been taken for the German Delegation at the Ritz Hotel has not been without its influence on public opinion. Let it be remembered: we have not only to persuade the German Delegation, but to enable the German Delegation to persuade the public here. The better they are treated, the more local authority they will have here.

Berlin, *August* 8, 1924.—Hughes was here for a few days last week,[1] and had long conversations with Marx, Strese-

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[1] On the eve of the holding of the London Conference, which was to give legal and practical effect to the Dawes Plan—in July and August 1924—Mr. Hughes, the American Secretary of State, took upon himself, ostensibly in a purely unofficial capacity, to visit the western capitals of Europe—London, Paris, Brussels and Berlin. He had conversations with the leading statesmen and financiers of all the countries concerned, as well as the U.S. Ambassadors accredited to the several Governments. These conversations were treated as strictly private, and secrecy as to their tenor was preserved with remarkable success. But it transpired, nevertheless, that the American Secretary of State, whose views on the Reparation problem in particular coincided very closely with those of the British Government, brought very insistent pressure to bear on the new French Government of the Left to take a broader view than had been taken by M. Poincaré regarding the Reparation problem.

Mr. Hughes' arguments fell on favourable soil, with M. Herriot and the Radical Socialists in control of the French Government. Likewise, at Berlin, Mr. Hughes' influence was thrown entirely on the side of conciliation, reasonableness and compromise.

In the course of a talk with M. Poincaré, Mr. Hughes employed urbane mann and Ebert. He was entertained to luncheon at the American Embassy and subsequently to tea by Frau Stresemann in the garden of the Foreign Office villa. Hughes makes the impression of being pre-eminently sensible. He holds forth perhaps too much, but less than any other American of his standing. Americans, with the notable exception of Mellon, normally and instinctively hold forth in proportion to their fortune or position. Hughes' position in the eyes of the American public and of the world is almost of the Rockefeller standard, but he only monologues to the extent which would be justified by a fortune of a million dollars. Mrs. Hughes does not hold forth at all, and is of the good New England type.

I ABSTAINED from discussing either German or French affairs with Hughes, out of perhaps exaggerated tact, but we talked at great length on prohibition in America and drink reform elsewhere. He did not seem very enthusiastic about prohibition, but said that America had it on her back now, and could not kick it off, owing to the curious provisions of the law regarding a Constitutional Amendment. Congress could not permit the consumption of alcohol; they could, however, define what alcohol was, and leave a pretty wide margin for drinks which were not to be considered alcoholic. As to whether prohibition had improved industrial efficiency Hughes quoted Judge Gary and other industrial leaders to the effect that there had been great improvement, but he did not speak either from his own knowledge or with great conviction.

HUGHES appeared to regard the successful issue of the London Conference as practically assured, and was pleased when one recalled his speech at Newhaven and adverted to the closeness with which the recommendations he made

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but trenchant language on the subject of the Ruhr invasion and the Anglo-French asperities that had followed it, pointing out that British security could not be a matter of indifference to the United States, since Great Britain was America's best and most honourable debtor.

for independent committees had been followed in the construction of the Dawes Commission.

WHILE he said nothing positive, I have a clear idea that he had a pretty straight talk with Poincaré in Paris, and that it was made clear to the latter that on the basis of Poincaréism there was no help for France from America.

HUGHES is certainly greatly esteemed or feared in the American diplomatic service. The assembled secretaries and consuls looked frightened out of their lives in his presence. He has the reputation of being a very strenuous worker, and a chief at once fair and exacting. Houghton, the American Ambassador, has been active since the visit of the Dawes Commission here, and has undoubtedly contributed largely to the satisfactory progress of events. He is talked of as the next Governor of New York.

WE are on cordial and confidential terms.

BERLIN, *August* 11, 1924.—There is a curious contrast to-day between the official opinion of the German Foreign Office, which is pessimistic, and the opinion of the public. The latter believe that Herriot has got his way in Paris, and will agree to a speedy military evacuation of the Ruhr directly he returns to London. The German Foreign Office says that up to the present the conversations in London have given no indication that Herriot would propose, or agree to, any period less than two years for the complete evacuation of the Ruhr and Rhine ports. A compromise resulting in the commencement of evacuation at once and complete evacuation in a year would, I believe, be accepted here, and I expect this is the result which will finally be arrived at, but there will be a great deal of finessing on both sides and some delay will probably occur.

Responsibility for the War.—Considerable attention is devoted in the German Press to the documents recently published, which bear upon responsibility for the War. The documents published in Austria and Germany suggest :

(1) An immense share of responsibility on the part of the Austrian General Staff and particularly Conrad von Hoetzendorff.

(2) On the German side the folly of the Kaiser, his hostility to England based primarily on his hatred of King Edward (Sedlitz says he spoke of him as "Satan"), his stubborn devotion to the naval expansion policy for Germany, his submissiveness to that most technically efficient but politically blind Tirpitz: all these things prevent anything like exculpation of Germany from war guilt.

The real problem is—who was *not* responsible rather than who *was* responsible. The blindness, recklessness and fatuity, and perhaps even the excessive good faith of certain participants, may well be brought in as contributing circumstances if not as prime causes.

As regards England's part, there was unquestionably good faith and a sincere desire to avoid war. It is said that Grey was too much under Russian influence, and the glamour of Russia's supposed power, but it is difficult to substantiate this charge.

The agreement come to in June 1914 regarding English-Russian-French co-operation in the naval sphere has not hitherto been adduced as a cause of German determination to bring on war. To quote it as having been a provoking course of action would be inconsistent with the German attitude of non-responsibility, and therefore it cannot be brought forward by Germany, but if hearts were searched, I suspect that, in last analysis, anxiety about this agreement was one of the causes which strengthened the war party in Germany and weakened the friends of peace and the advocates of delay.

By others, Grey is attacked on the ground—honourable to his character—that he was such a declared advocate of peace that it was not possible for the German rulers to believe that under him England would come into the War. He was indeed so strong an advocate of peace and clung so firmly to the hope of it that he delayed the declaration that England would come into the War until it was too late for Germany to draw back. Had he declared at an earlier stage that England might, under certain contingencies, enter the War on the side of Russia and France, it is contended that Germany might have altered her policy.

The suggestion is most unjust, for Grey could make no declaration about England coming into the War until after Saturday, August 1: it was only the invasion of Belgium by Germany which rendered England's entry into the War at all a matter of certainty.

One can speculate to an unlimited extent upon what might have happened had Germany abstained from commencing the campaign by the invasion of Belgium. My own view is that a very little diplomatic skill on the part of Germany would have sufficed to prevent, or at any rate delay, England's participation in the War.

Berlin, *August* 12, 1924.—A long conversation with the French Ambassador this afternoon regarding the question of Security.

He reverted as usual to the point that public opinion in France would not agree to a pact of Security which only ensured the French frontier and did not give protection to the Polish frontier against German aggression. While he stated this as a fact, I thought that he was somewhat less vehement on this point than on previous occasions, and he quite recognised what an enormous gain it would be for Europe if the danger of a direct war between France and Germany were averted.

He told me that on several occasions German officials had frankly stated to him: " While we are ready to give you complete guarantees against military aggression as regards France, and while we are also prepared to engage not to make any military attack on Poland, no German

CHAP. III

August 1924

Government will sign a document which binds us to consider the Danzig corridor as a permanent solution." Maltzan said to the Ambassador: " Why not be satisfied with the pact of guarantee for the French frontier ? The Polish question is really a part of the Russian question. England and Italy have already signed an agreement with Russia, and France will certainly follow suit. At that time, take your precautions against an attack on Poland. The question is more Russian than German."

Berlin, *August* 14, 1924.—As far as one can judge the situation, the public here will abide by the decision of the German delegates in London. The principal point which excites interest is the date for the evacuation of the Ruhr. I believe that April will be considered satisfactory by the general public, provided no unilateral concessions have to be made regarding future commercial relations. If, instead of continuing military control, clauses were agreed to ensuring reciprocal security, the public here will accept stringent clauses.

THE LONDON CONFERENCE, *July* 16–*August* 30, 1924

The Allied delegates assembled on July 16, 1924, Great Britain being represented by Mr. MacDonald and Mr. Thomas; France by M. Herriot, M. Clémentel and General Nollet; Belgium by M. Theunis and M. Hymans; Italy by Signor Scialoja and Signor Grandi; Japan by her Ambassador in London, Baron Hayashi.

For nearly three weeks the Germans were not called in, the Allies being occupied with reaching an agreement among themselves. The chief difficulty was found to be the French claim to the enforcement of new Sanctions should Germany default under the proposed Dawes plan. After prolonged negotiations, an Inter-Allied Protocol was agreed to, under which the enforcement of Sanctions in such a contingency would be subject to an exhaustive procedure of impartial arbitration. Applications of Sanctions should not take place unless and until the wilful default by Germany had been proclaimed by the proposed Arbitral Tribunal. Moreover, if and when consideration was given to the application of Sanctions, the interests of the subscribers to the proposed German loan would have to be taken into account.

When these and other difficulties had been settled in principle among the Allies, it was decided to send for the German representatives, who arrived in London on August 6. They included Chancellor Marx, Dr. Stresemann, and the Finance Minister, Dr. Luther. Practically a fortnight was spent in discussion between the principal Allied and German delegates, greatly helped by the presence and the friendly intervention of the so-called American "observers," Mr. Kellogg, the U.S. Ambassador, Colonel Logan, the American representative on the Reparation Commission, and Dr. Owen Young, the chief author—with Sir Josiah Stamp—of the Dawes report. After protracted negotiations, formal and private, agreement was reached with the Germans, which was finally dated August 30, 1924. This Agreement, with its various Annexes and Protocols, provided not only for a new scale of Reparation Annuities payable by Germany and secured on certain revenues, but also for a 40,000,000 sterling loan to be issued in the International Market ; also for provisions relating to arbitration in the event of differences between Germany and the Creditor Powers. Last, but not least, the principal Agreement was accompanied by another, negotiated between Germany, France and Belgium, stipulating the progressive economic and military evacuation of the Ruhr by France and Belgium within a period of roughly twelve months. Mr. MacDonald, who presided over the Conference, was chiefly responsible for the opening up of these Franco-Belgo-German negotiations outside the actual Conference proceedings.

Berlin, *August* 17, 1924.—I hear from London that the Conference began by following the old lines. On the first day, wrangling between the Allies, followed by wrangling with the Germans, both wranglings on quite secondary points. Meantime, the Committee of Experts worked every night until 3 a.m., sustained by whiskies and sodas, sandwiches and cigars, then reference next morning by the Experts to the heads of Missions. All this talk and all this labour about points which everyone

August 1924

knew did not really matter; what really mattered was—and is—the Ruhr.

Herriot has been extraordinarily temperamental—at one moment dejected—at another moment elated; very resistful against pressure, still more resistful against any suspicion of a plot to entrap him into new concessions. However, Herriot has impressed everybody by his good-will, and his desire to find a possible arrangement.

The Germans have been well treated, and received with courtesy. This is so much to the good.

It is as I expected. Marx is more popular than Stresemann; the latter always inspires those who do not know him with the erroneous view that he is unreliable.

Ramsay MacDonald appears to have shown tact and skill, and to have done his best to reduce the period of delay in the evacuation of the Ruhr. Time after time, I am told, Ramsay MacDonald has surmounted or turned extreme difficulties. His power of work is astounding everyone at the Conference; he starts early in the morning and works hard throughout the day.

Schubert has distinguished himself by his good sense and precision.

Berlin, *August* 18, 1924.—Am writing to the Prime Minister suggesting that the time has perhaps come for me to resign the post of Ambassador to Berlin. I have been here more than four years, and have had a strenuous time.

The Pact of London, or—as it is usually called—the Dawes plan, has now achieved general acceptance, and thus a great step has been made towards a financial basis for pacification. I do not say final pacification, because I do not give the Dawes plan more than three or four years; it will then have to be modified. But the financial foundation for a better diplomatic relationship is there.

September 1924

Berlin, *August* 22, 1924.—Conferences of Experts always remind me of a Chinese saying which runs: " What one knows: to know that one knows it. What one does not know: to know that one does not know it. That is true wisdom."

It is a wisdom most conferences of experts lack.

Berlin, *September* 1, 1924.—To-day the Reparation Commission announces that the Dawes plan has come formally into being.

Berlin, *September* 3, 1924.—I have already written an account of the negotiations in London which led to the Dawes report. It may be interesting to note the ups and downs of the dealings here between the Government and the leaders of the parties in the Reichstag. Last Thursday, at eight o'clock in the morning, the leaders of the Nationalist Party called upon the Chancellor, stating that they had decided to vote against the Dawes report unless the Chancellor promised to resign within a fortnight. He was, further, to engage to hand over the Chancellorship to them, and to have three Nationalist Members of the Cabinet. Marx declared, with some humour, that while personally he would be delighted to resign in favour of so competent a successor as the Nationalists would select, the matter did not depend upon him; it depended upon the parties of the Coalition. All he, Marx, could do was to engage to make a declaration regarding the war culpability of Germany, a declaration similar in character to that which was eventually published.

This reply infuriated the Nationalists, who determined to reject the legislation required by the Dawes settlement. When the time came, however, this decision was modified, because rejection would have meant a new election, and a new election would mean a gain to the Socialists and a loss to the Nationalists. When it came to the actual debate,

CHAP. III

September 1924

there was a certain amount of jockeying, the Nationalist Deputies giving out that they would say " No," whereas in reality they intended to say and did say " Yes." This manœuvre was justified on the ground that if the Socialists had realised that the necessary legislation would be accepted, they would have found some means of quashing the proceedings. From what I can gather, it appears true that the Government has given no positive pledge regarding the admission of Nationalist members into the Ministry.

CHAPTER IV

SEPTEMBER—NOVEMBER 1924

Effect in Berlin of Pact of London embodying the Dawes Plan—Position in Vienna in August 1914—Stresemann and Ramsay MacDonald——House of Commons debate—The Foreign Office and the Commercial Treaty—Romance of recovery of the mark—Drafting the Commercial Treaty.

BERLIN, *September* 8, 1924.—Since the Agreement was signed in London there has been a considerable diminution of tension here—not only financial but political. Both Germans and French have so far carried out their obligations under the Pact of London with fidelity and alacrity. The American and English representatives on the new control organisations say they have met with nothing but goodwill from the German financial departments. In the occupied area the French authorities appear to have behaved sensibly and to have put no obstruction in the way of handing over different services to the Germans " according to contract."

THE fly in the ointment is the question about War Guilt. Marx and Stresemann obtained Nationalist assent to the London Agreement by engaging themselves to make an official protest against the accusation that Germany alone was guilty of provoking the War. They had been pressed to make this during the London Conference, but wisely realised that any such action would have imperilled the chances of the Conference if it did not annihilate them. When they returned to Berlin they hoped to escape without any definite pledge, but in the end were compelled to give one. That is ten days ago, but the Note has not yet been sent. The Foreign Office has been wisely dilatory.

MALTZAN, who is here in sole charge of Foreign Affairs, fully realised the folly, or at least the inopportuneness, of raising the issue of War Guilt. He has gone so far

September 1924

in postponing positive action that he is rather alarmed he may have exceeded Stresemann's wishes. He came this morning to urge me, when Stresemann returned, to speak to him in the sense that postponement was not only justified but necessary. He would not have done this had he not been apprehensive.

The truth of the matter is that Stresemann has always been himself rather a partisan of "denial." Apart from his personal opinion, he has recently patched up his differences with the Nationalist Party, and is anxious not to kill this new-born friendship. He will therefore be reluctant to do anything which looks like breaking a pledge given to his new allies.

Stresemann and Maltzan both manœuvre between the different political parties with some skill and with frequent reversal of position. A few months ago Stresemann was against the Nationalists and for the Left. Now he is the other way. Maltzan has pursued a precisely opposite course.

Stresemann's real support in the Ministry for Foreign Affairs is Schubert, whom he thinks more ballasted than Maltzan, and less liable to be carried away by enthusiasms, such as that for the Soviet, or to be deflected by personal relations with political parties.

Berlin, *September* 11, 1924.—Since the Pact of London, the process of pacification is proceeding smoothly and rapidly. The French authorities in the occupied area appear to have turned over a new leaf, and to be acting with commendable rapidity as regards the release of prisoners, the withdrawal of troops from far-reaching points, the taking off of customs duties, and the withdrawal of Micum officials.

German officials at Berlin, particularly those charged with negotiations with the new organisations of control, are also acting wisely. Both Owen Young and McFadyean

September 1924

are loud in their praises of the facilities afforded them. Owen Young told me the other day that if any difficulty arises, the Germans with whom he is negotiating go beyond their strict contractual obligation to remove it.

Outside official circles, there can be no doubt that strain, both in commerce and in finance, has diminished notably. The Leipzig fair last week came rather too soon to gain by this improvement. It was something of a failure, but I am convinced that if it had occurred a fortnight later quite a different story would have had to be told. There is no longer the extreme scarcity of money—firms no longer offer to pay 50 to 60 per cent. per annum for temporary advances. High rates are obtainable, but something more like 10 or 12 per cent. instead of the previous extreme figures.

One result of this improved atmosphere is that the Nationalist attempt to force the Government into making a declaration of denial regarding Germany's war guilt has not got much public support behind it. It looks as though the public generally would prefer the Government not to keep its pledge to the Nationalists—better break an internal promise than create an external crisis and imperil the smooth execution of the Pact of London.

Military Control began again on Monday, and has been carried on for four days without any disagreeable incident being reported. One never knows in this matter what to-morrow will bring, but I am told that the German Government's warning to the population to keep quiet has produced a considerable effect.

Commercial negotiations between Germany on the one side and France and Belgium on the other will commence almost immediately. France and Belgium will have an array of experts behind their negotiators, but more powerful than the negotiators will be the temptation to Germany to accept unfavourable commercial conditions in order to obtain an evacuation of the Ruhr earlier than August

1925. It remains to be seen whether the bait will tempt the German Government. So far they declare that the two subjects are entirely disconnected, and that they would not think of considering a bargain between them. It would be disadvantageous and immoral.

Berlin, *September* 11, 1924.—A leading journalist came to luncheon here yesterday to meet Jay of the Federal Reserve Board—the ideal "still small voice" American banker.

Much talk regarding the ex-Emperor. He was essentially an actor and was always posing before the public. Behind this outward show, a timid man—certainly peaceably inclined and rather a poor weak creature. The bold exterior had nothing bold behind it. It was therefore wrong to attribute the guilt of the war to the Emperor's deliberate intention. He might be responsible through weakness or through an ingrained habit of bluff, but not through any definite Machiavellian or Bismarckian scheme.

At the time of the interview between the Emperor and the Tsar at Björko the Emperor succeeded in obtaining a personal agreement with the Tsar for co-operation between Germany and Russia with the deliberate intention of eventually bringing France into the alliance. This was William's pet idea at the time. Bülow realised that such a policy was impossible, since France and Germany were quarrelling about Tangier, and there were fundamental antipathies. He therefore offered his resignation. The Emperor wrote to him adjuring him not to resign. His appeal was almost piteous, for he went so far as to say that if "Bülow, his dearest friend, deserted him, he would commit suicide." He entreated Bülow to think of the poor Empress and his children.

This was one instance of his weakness and lack of dignity in a crisis.

September 1924

ANOTHER instance was his visit to Tangier. It had been arranged for the local notabilities to meet him, and to bring a horse on which he should make a ceremonial entry into the town. But the Emperor was terribly frightened at the idea of riding a fiery Arab. So he telegraphed several times to Bülow to be sure to make arrangements that the horse should be quiet and incapable of any eccentricities.

WITH all this the Emperor's marginal notes on despatches frequently showed that he had a better political understanding than most of his ministers and agents. There were absurdities and extravagances and foolish insults among these notes, but there was also a good deal of political " flair."

MARX and Stresemann have got themselves into a great mess over the War Guilt question—they had no business to give any promise to the Nationals as to sending a formal Note on the subject to the Powers—now the only way out is for them to refuse to send the Note.

BERLIN, *September* 13, 1924.—A conversation with Dr. Dillon this morning regarding events preceding the declaration of war. He was then at Vienna and on intimate terms with the Austrian Foreign Minister, Berchtold.

ON the Thursday before war was declared the Austrian Foreign Minister told him that war appeared inevitable, and advised him to get out of the country as quickly as possible ; the last international train would run the next day. On leaving the Foreign Ministry he saw the best-informed of the Ambassadors in Vienna, who said, " You will be doing the most foolish thing in your life if you leave. The negotiations will drag on for three weeks, and there is a good chance they will be successful. I got this information this morning from the Austrian Foreign Office." (This was obtained from a subordinate in the

CHAP. IV — September 1924

Foreign Office, not from the head.) Dillon then saw another Ambassador, who was no less optimistic than his colleague. He in his turn referred him to the Russian Ambassador, but Dillon said: " What is the use of my asking him, as when he read the Austrian ultimatum to Serbia he did not realise the gravity of the position and saw in it no reason to return from leave? From such a source there is nothing to be obtained."

Dillon then started for England. He was asked by the Austrian Foreign Minister to see Asquith and if possible to see the King, the idea being by all means to keep England out of the War. All Austrian Embassies, Legations and Consulates were instructed to send Dillon's cypher messages through at once. However, he arrived too late in England to do any good.

He attributes a large share of responsibility for the War to the Russian General Staff, not to the Tsar himself nor to Sazonoff. The latter he considered a man of tenth-rate ability, and he did not think much more of Iswolsky, who was his predecessor at the Ministry of Foreign Affairs and later Ambassador in Paris.

I asked Dillon what share of responsibility for the War he attributed to Iswolsky. Dillon said that in conversation with him, Iswolsky attributed the whole blame to Germany. When I asked him whether it was true that Iswolsky spoke of the War as " my war," Dillon said he had heard the story, but it was absolutely contrary to everything Iswolsky had said to him.

Berlin, *September* 14, 1924.—Stresemann is genuinely impressed by Ramsay MacDonald, especially by his power of silence and the absence of formality with which he has directed the proceedings of the London Conference. Stresemann had expected that, as in the Reichstag here, speakers in the Conference would have to notify their wish to speak to the President, who would call upon them.

He soon found that everybody else spoke when they felt inclined, so he did the same.

CHAP. IV

September 1924

MACDONALD'S capacity for silence was remarkable. On the Wednesday, when the Conference went through its crisis, and when the whole negotiations looked like breaking down, Stresemann went to MacDonald and told him of the critical position of negotiations between the French and German delegates concerning the evacuation of the Ruhr. When Stresemann had ended, MacDonald said nothing for five minutes. Then he merely interjected—" Something has happened since Monday."

THE great difficulty in the Conference was the question of the evacuation of the Ruhr. At the June meeting at Chequers an agreement was come to between MacDonald and Herriot which the latter understood to mean that the question of evacuation would not be raised at the London Conference. MacDonald had really meant that it should not be raised in the official proceedings of the Conference —not that it should not be discussed in London. Towards the close of the first phase of the Conference in July he came to Herriot in an affectionate way, patted him on the shoulder and said : " The Germans cannot accept a settlement without previously discussing the question of the evacuation of the Ruhr. We cannot take part in the discussion, but you must settle with the Germans." Herriot protested violently, said he had been deceived, said that on the basis of the Chequers discussion he had made statements in the Chamber that the Ruhr evacuation would not be mentioned in London. However, he eventually quieted down and discussed it.

STRESEMANN thinks highly of Hankey and his calm outlook. On the Wednesday of crisis, when everything looked black, Hankey had said to him: " All Conferences—and I have seen a good many—go through a critical period. This is quite a mild crisis. Everything is going well. The troubles we have had since the German delegates arrived

CHAP. IV — September 1924

are nothing compared with what we had between the Allies before you came—then we had a crisis twice a day."

SNOWDEN had been a curious, incomprehensible figure at the Conference. Stresemann could not make out what his relations were with MacDonald. He had been more German than the Germans. Once when he, Snowden, had signified a wish to speak and the Chairman had not noticed it, Theunis leaned over to MacDonald and said: " The member for Germany wishes to address the meeting."

INTERPRETATION had been a great difficulty. Marx, on one of the first days, had made some mild request, whereupon the German interpreter said, " The Chancellor *demands* that . . ." and bellowed it out in such aggressive tones that it sounded like an ultimatum. Someone had said (Stresemann declared it was not himself), " The translator transforms a lamb into a tiger."

DISCUSSING recent history, Stresemann said the French had been absolutely insane since the Armistice. At that time there was no real enmity against them in Germany. Now it was bitter and intense. The circulation of the *Vossische Zeitung*—which was considered pro-French—had suffered on this account. The *Frankfurter Zeitung* had also gone down. It was too pacifist and too much for reconciliation all round. The German public recognise the necessity of coming to an agreement with the Western Powers, but they had no inner liking for general reconciliation as a *Weltanschauung*.

HE thought that Germany would endeavour to carry out the Dawes report honourably.

IT was foolish for France to trust to the Polish alliance. Supporting Poland meant the inevitable hostility of Russia, and Russia was bound to come back some day or another. This love for Poland had been the real cause of Napoleon's downfall. His support of Polish aspirations was the ultimate cause of the Tsar's hostility, and this led to his catastrophe. The same thing would happen again.

STRESEMANN thinks the Soviet are on their last legs financially, and he fears that they will attack Bessarabia to distract public attention in Russia from their internal policy. That was how war would come about—somewhere in the East, not a direct conflict between Russia and France.

HE declared that Hungary, Bulgaria and other Eastern European countries were arming feverishly—that Hungary was armed to the teeth. Switzerland, which had been in a very bad financial position, was rapidly recovering through profits made on armaments. I have no confirmation of this view from other quarters. It deserves examination. STRESEMANN considered that it was essential for the Rhineland to be frankly part of Germany, also for Danzig to be reincorporated. Without this there could be no permanent peace.

I PUT forward my view of the reciprocal iron curtain or strip of inviolable territory as a protection. Stresemann said, " Germany will accept your plan, but I don't think the French will."

HE seemed to have no special hostility to the Czechs, and expressed a very high opinion of the late Czech Minister in Berlin—Tusar. But he had been startled by the unambiguous language of a very spontaneous official lady here ; one of the first things she said to him was : " Is it true that all Prime Ministers are impotent ? A friend of mine who was Prime Minister in a neighbouring country for more than a year declares it is an invariable rule."

BERLIN, *September* 16, 1924.—A delightful instance of the Semitic genius as applied to business.

IN an exclusive seaside resort on the Baltic, where wealth is scorned and anything of Jewish origin is rejected, an hotel manager was asked how he succeeded in keeping the company at his resort so select. He replied : " The matter is quite simple ; if we find they are too commercial, we arrange that the telephone should always be occupied,

September 1924

and, without the telephone, the commercial man cannot live. Moreover, we occasionally lose their boots in the morning."

Berlin, *September* 22, 1924.—An address by me to-day to the members of the German-English Delegation who have met here for the purpose of drafting a new Treaty of Commerce between the two countries.[1] I am more than ever convinced that if Free Trade is the right ideal, which it surely is, its failure to convince the world is largely due to bad negotiation. We in England appear to have missed completely the essential point that, as the largest buyers, we have immense world influence ; by neglecting to use our influence in negotiation, we have allowed tariffs throughout the world to grow continuously. If we had been less austere in avoiding all resort to retaliation or to menace of retaliation, trade relations between different countries of the world would be far better to-day than they actually are. Neither the orthodox free-traders nor the orthodox protectionists appear to have realised the vast possibilities for Great Britain and the British Empire of a system based frankly on exacting reciprocity.

London, *October* 7, 1924.—Luncheon with Lord and Lady Curzon, meeting Sir Charles Mendl, the recently knighted Press attaché to the Embassy in Paris. He had just returned from Venice, which, he said, had lost its principal attraction since H. left. He intended to seek the sun elsewhere another year.

Curzon was very anxious to hear what I thought of Ramsay MacDonald, and was, I thought, slightly disappointed when I said he was extraordinarily intelligent, rather sly, and had a marked rapidity of judgment in foreign affairs.

Lady Curzon, who has begun to own racehorses, was

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[1] See Appendix I.

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much interested about the sale of a yearling of mine, Amilcar, for about £10,000. Londonderry, who was there, said these high prices were disastrous to the best interests of the Turf—though why he did not explain. In his view the Aga Khan was like the Joker in a pack of cards and outbid everybody, but he forgot to say that while the Joker defeats opponents, the Aga Khan's purchases are of benefit to owners of racing stock and to breeders in general.

They have not been unprofitable to the Aga. I was down at Dawson's training stable two days ago, and learned from him that the Aga Khan's operations on the Turf had led to the following result: the stakes he had won had paid for the cost of the horses, so that he owned some of the best animals in the world gratis. He had sent five mares to Ireland yesterday, and these mares were worth anything between £60,000 and £100,000, so his position is not unenviable. £60,000 was offered last year for "Muntaz Mahal," and "Cos" was worth at least £15,000. Besides these mares he had his horses in training, and he had two stallions—"Diophon" and "Salmon Trout"—each of which was worth from £15,000 to £20,000; so that if the stakes won paid for the purchase and training, his net gain was well over £100,000. As far as purchases from me are concerned, he has bought "Cos," "Diophon," "Tiara" and "Nevsky Prospect" for less than £15,000. They have won nearly £30,000 in stakes, and are certainly worth another £30,000.

London, *October* 9, 1924.—Listened to the debate last night, hearing all the speakers before dinner, except Horne.

The Attorney-General, Sir Patrick Hastings, gave an impression of sincerity. Nothing of the Old Bailey or of the bullying Counsel: his manner is rather gentle and intelligent. Simon I thought, for once, decidedly inferior, CHAP. IV

October 1924

although the Press to-day praises his speech. The Prime Minister was dignified and impressive. He is, perhaps, somewhat in love with himself, and too much inclined towards self-pity, but the performance—especially as he was suffering from toothache—was remarkable.

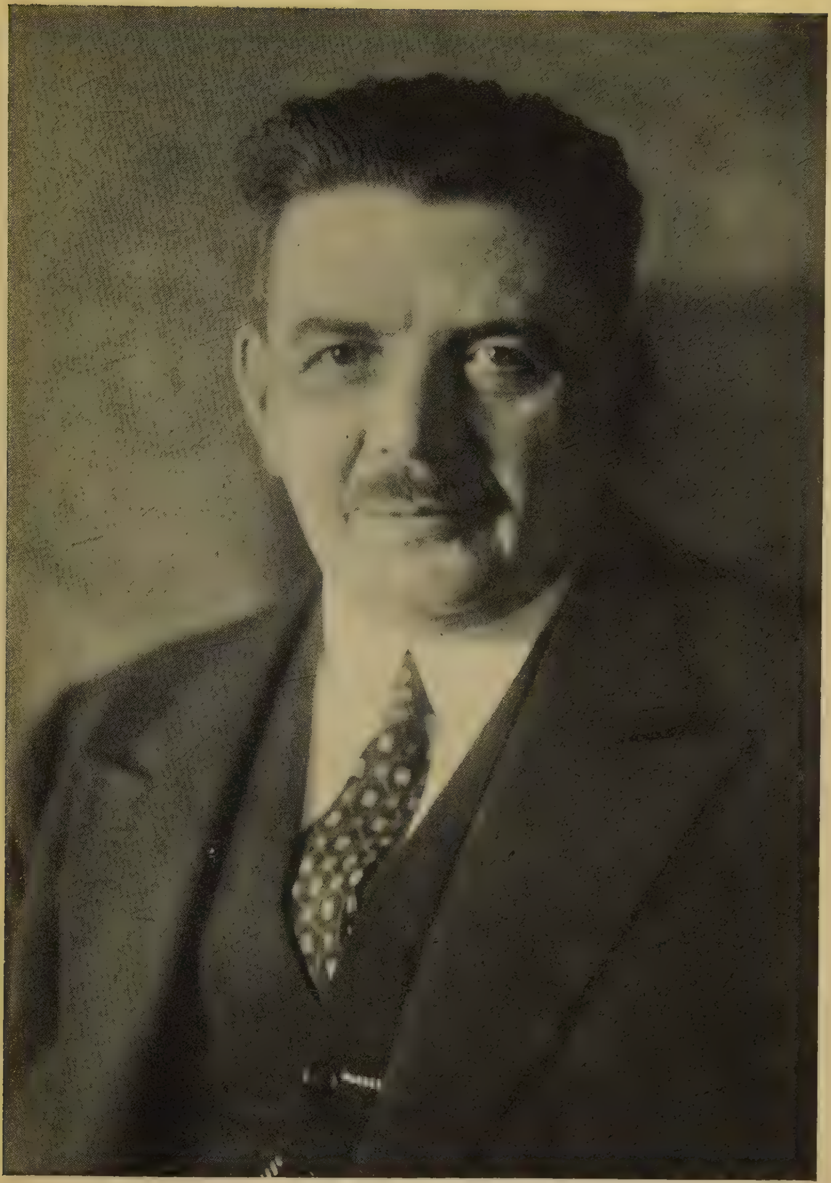
Asquith was much applauded, not least by the Labour members. Their applause was too spontaneous to be consistent with fear. Asquith was humorous and light, and particularly careful to leave the door open for a compromise; no great earnestness about his speech—no indication of strength of conviction or of purpose. However, the House as a whole thought the speech a brilliant success.

I dined afterwards with Kenworthy, meeting Drinkwater—the actor-playwright-poet. He makes rather a fine impression, but more that of an actor than a poet. The whole afternoon he had been trying to get into the House of Commons, and was chagrined to hear what a good debate he had missed.

Kenworthy was preoccupied by the probable rejection of the Russian Treaty. He thought rejection would be an act of folly. He talks of Russia's 150 million population increasing at the rate of 2 millions a year, and declares that there can be no European peace until we have discovered means of coming to terms with them.

Both Kenworthy and Godfrey Collins (who are by way of being knowledgeable members of the House) thought at 9 p.m. that a General Election was out of the question, and that some compromise would certainly be found between the parties. They said a great many Conservative members would not vote against the Government, as they considered the Government to be more or less in the right. By midnight, these prognostications proved erroneous. The Government did not accept Asquith's offer and resigned next day.

Was the episode an adequate reason for a General



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EDOUARD HERRIOT

October 1924

Election? Is there not too much make-belief about the attack? Of course Attorney-Generals consult Prime Ministers about criminal proceedings of a political nature, and of course Prime Ministers are affected by the attitude of their followers on the political question raised. Why then pretend that something heinous has been committed?

The contrast between a debate in the House of Commons and a debate in the Reichstag is very marked. The former is conversational, argumentative, humorous. The latter is platform speaking, disturbed, and often relieved by interruptions. Members frequently complain that the House of Commons ought to be larger, that there should be a seat for each member—and I suppose a desk for each, but the whole spirit and temper of debate is produced by the relatively small space, members being close to one another and within easy hearing distance, also by their being ranged on two sides instead of in a semi-circle dominated by a rostrum. English speakers endeavour to make their arguments sound, plausible, common-sense. They eschew fine phrases and declamation.

Last night, although probably all parties were rather foolish, and although the opposition case was very much trumped up, the speeches on both sides sounded sensible and persuasive, and one could understand an impartial hearer being convinced either way. In the House of Commons the difficulty is to decide which side to vote against: in Germany it is often a difficulty to know which side to vote for.

THE COMMERCIAL TREATY

Articles 264 and 269 of the Versailles Treaty prohibited for a period of five years any discrimination being made by Germany against the commerce of the Allied Powers. These clauses expired in January 1925. Already, in August 1924, during the holding of the Dawes Conference in London, the French Prime Minister—M. Herriot—and the French Minister of Commerce, M. Clémentel, had sought to secure

October 1924

from the German Delegation exceptionally favourable terms for a Franco-German Treaty of Commerce. To this end the occupation and evacuation of the Ruhr were utilised as a political bargaining factor. Negotiations were, however, unsuccessful, but both France and Belgium proceeded to strengthen the commercial elements of their diplomatic staffs in Berlin.

Lord D'Abernon, being concerned lest France and Belgium should steal a march on Great Britain in respect of the conclusion of a favourable Treaty of Commerce with Germany, urged upon the British Government the necessity of immediate action in the same direction. Accordingly, early in September, the Board of Trade transmitted to the British Embassy in Berlin its own notions of a draft Commercial Treaty with Germany. After a careful examination of this draft, the decision was reached that it was of too general a character to meet the requirements of British trade with Germany. It contained nothing more effective than the usual "most-favoured-nation treatment" clause. Such a clause, Lord D'Abernon pointed out, would be of little benefit to British exporters, because the Treaties recently concluded by Germany with other countries showed a very high degree of specialisation in respect of the clauses connected with customs duties. These minute and technical classifications entailed facilities applicable only to a strictly limited category of British exports to Germany. The great bulk of British exports to Germany were articles peculiar to Great Britain. Lord D'Abernon, therefore, emphasised the need—in order to secure a real reciprocity between Great Britain and Germany—of giving to the suggested "most-favoured-nation treatment" clauses an interpretation at once wider and more precise than had hitherto been customary or obtainable. He insisted on full recognition and appreciation being shown by Germany of the benefits which her exporters found in the Free Trade markets of Great Britain. His advice under the above heads was duly considered and adopted by Mr. Ramsay MacDonald and the Labour Government, who agreed that two essential features of the proposed Treaty of Commerce should be the removal of import restrictions and such a reduction by Germany of her Customs duties on British imports as would render access to German markets possible.

Lord D'Abernon was authorised to open up negotiations with the German Government on the lines advocated by himself. Accordingly, on September 22, 1924, he delivered an inaugural address at the joint meeting of the British and German delegates. (*See* Appendix I.)

CHAP. IV

October 1924

AFTER an interval of nearly a month, the Ambassador, on October 28, forwarded a further Note to the German Secretary of State on the proposed Treaty of Commerce. Meanwhile, a draft final protocol to be annexed to the Treaty had been prepared.

DURING the final stage of the Anglo-German negotiations, the Labour Government was overturned in England, and, with the advent of the Conservative Government, Mr. Austen Chamberlain became Foreign Secretary and Sir Philip Cunliffe-Lister President of the Board of Trade. They at once sanctioned the continuance of the negotiations with Germany for the Commercial Treaty, despite the Free Trade principle emphasised on the British side.

THE Treaty was signed on December 2, 1924, and was held by the British Press, regardless of party, to constitute, from a British standpoint, a remarkable advance. The following extracts from the final protocol are an indication of the spirit and principles which pervaded the negotiations :

(1) "THE Treaty of Commerce and Navigation signed this day being based on the principle of the most favoured nation, *both parties to the treaty undertake to give the widest possible interpretation to that principle.* In particular, while retaining their right to take appropriate measures to preserve their own industries, they undertake to abstain from using their respective customs tariffs or any other charges as a means of discrimination against the trade of the other, and to give sympathetic consideration to any cases that may be brought to their notice in which, whether as a result of the rates of customs duties or charges themselves or of arbitrary or unreasonable customs classification, any such discrimination can be shown to have arisen.

(2) "WITHIN the limits of this undertaking each party agrees not to impose, reimpose or prolong any duties or charges which are specially injurious to the other party. Each party further agrees, when modifying its existing customs tariff and fixing future rates of customs duty as far as they specially affect the interests of the other party, to have due regard to reciprocity and to the development on fair and equitable terms of the commerce of the two countries, *the German Government taking into full account the favourable treatment at present accorded to goods the produce or manufacture of Germany on importation into the United Kingdom.* The parties will also have regard to the same considerations in applying any special prohibitions or restrictions which may be notified under Article 3 of this Protocol."

October 1924

London, *October* 21, 1924.—Had several talks at the Foreign Office regarding the Commercial Treaty which is now being negotiated.

I press most strongly the desirability of obtaining from the German Government assurances more precise and more far-reaching than the ordinary most-favoured-nation clause. If we have only this clause we are exposed to very disagreeable treatment for our merchandise through special classifications, arranged to suit others who are more diligent negotiators. I put my view forward strongly that England, giving liberal treatment and a low tariff to Germany, was entitled not only to equal treatment with France and America, who put on high tariffs, but to very special consideration. This could probably be given without infringing the most-favoured-nation clause, and we are fully entitled to demand it.

Berlin, *November* 4, 1924.—The essential cause of the wonderful recovery of German finance which has taken place during the last year has been the stabilisation of the currency.

The story of how this stabilisation was brought about, after the mark had depreciated to one-billionth of its value, is almost a romance.

As far back as 1921 I persistently pressed upon the German Government the necessity of stopping the issues of paper money and of creating a stable currency. The political leaders—Wirth, Cuno, Rosenberg and Maltzan—all pleaded complete ignorance of the subject; said that their financial advisers, including all the bankers in Berlin—not omitting Havenstein, the President of the Reichsbank, and Rathenau and Stinnes—unanimously declared that any cessation of note printing was impossible. They contended that the continuous and rapid fall in exchange was produced by quite other causes, the usual view being that it resulted from an unfavourable balance of trade. This was the Rathenau view.

The only Germans who paid any attention to my opinion on the subject were Stein of the *Vossische Zeitung*, and a friend of his, Ritscher, one of the Directors of the Dresdner Bank; Georg Bernhard, the Editor of the *Vossische Zeitung*, a man of great authority, was also somewhat impressed (more by my vehemence than by my arguments), and became half convinced that currency reform was indispensable to financial restoration.

After a vast deal of advice and pressure, I persuaded the Government, in October 1922, to call to Berlin a Commission of Currency Experts in order to advise on the position. This resulted in the arrival here of Professor Cassel of Stockholm, Professor Keynes, the Honourable R. H. Brand, Professor Jenks, M. Dubois, and Dr. Vissering. These gentlemen arrived in October 1922. Unfortunately their visit coincided with a visit of the Reparation Commission, including Barthou, the President, and Sir John Bradbury. The consequence was that very little attention was paid to the Currency Commissioners, all the brains of the German financial departments being absorbed in answering the questions of the Reparation Commission. To such an extent were the Currency Commissioners ignored that they were hardly asked to dinner, lest it should offend the Reparation Commission, and when they presented their two reports, one of which (the majority report) was a monument of wisdom and the corner-stone of all subsequent reform, the Government paid no attention.

To show the condition of German opinion at the time, it is sufficient to say that when the currency reports were presented to the German Government they did not even send them to the Reparation Commission. So little did they realise their value that they put them away in a pigeon-hole and sent to the Reparation Commission a quite minor report on a quite minor subject (some banking detail) which they had obtained from Dr. Vissering and

November 1924

M. Dubois. Only with the utmost difficulty did I induce Wirth to rescue from oblivion some of the most important recommendations made by Cassel and Keynes. These were subsequently sent on to Paris after the Reparation Commission, more to please me than because anybody had the smallest inkling of their value. They were forwarded as a kind of Postscriptum, without major importance. And everyone abstained carefully from endorsing them.

Up to the beginning of 1923, therefore, there had been no progress in the mind of the Government towards currency reform. Havenstein was still alive and in full control of the Reichsbank. His view on currency management and on note issues was exemplified in a speech before the Reichsrat on August 7, 1923, in which he said: " The Reichsbank issues 20 billions of new money daily. Next week the bank will have increased this to 46 billions daily. The total note issue at present amounts to 63 billions: in a few days we shall, therefore, be able to issue in one day two-thirds of the total circulation."

I continued to represent, in private conversation, that Havenstein was a public danger, and would, in any State which had sound views about currency, be handed over to the common hangman. But no one believed that so respectable a man, who was supported by the entire banking community of Berlin, could possibly be wrong on a special subject within his particular competence.

So strongly was this view held that it is probable no currency reform would ever have been brought about had not Providence intervened.

Intervention took an extreme form, for within a few months Havenstein died.

Stinnes, who had been a great supporter of his views, also died.

Helfferich, the arch-priest of inflation, was killed in a railway accident coming from Italy; and Poincaré, whose pressure on Germany had made inflation difficult to avoid,

November 1924

fell from power. Poincaré's bullying for immediate payment, irrespective of the effect on Germany's currency, was, economically speaking, sheer folly.

WHEN the post of President of the Reichsbank became vacant through Havenstein's death, opinion in German banking circles was almost unanimously in favour of Helfferich, who would have continued, and perhaps aggravated, the Havenstein policy. The majority of the Council of Ministers were also in favour of Helfferich.

HAPPILY Stresemann, who has a very energetic will and great authority with his colleagues, had been won over to sound views, and realised that a radical alteration of the Reichsbank policy was essential. Stresemann had indeed made up his mind—or more correctly had been persuaded—to dismiss Havenstein five or six months before his death, but he had always been prevented from carrying out this decision by opposition in the Cabinet and opposition from the bankers. However, when death intervened and there was no longer a question of having to dismiss an elder statesman, but merely that of filling a vacant post, he realised that a change of policy and spirit was essential. Stresemann was sick in bed at the time, but he wrote such a violent letter to the Cabinet—a letter against Helfferich and in favour of Schacht—that, against their own judgment and their own wishes, the Cabinet appointed Schacht.

THE selection turned out to be an admirable one. Schacht, by sheer force of ability and courage, carried through all the necessary measures to restore stability to the currency. He had to face extreme unpopularity and violent protests against the restriction on currency issues, which made money terribly scarce and dear during the transition period. However, he rightly regarded temporary stringency as inevitable. It was only six months after his appointment, when the public began to realise the immense advantage of stability, that opposition to his severe administration began to die down. Schacht had been most loyally sup-

CHAP. IV — November 1924

ported by Stresemann and by the Finance Minister, Luther. The latter's measures to increase the revenue have played an important part in recovery.

Berlin, *November* 7, 1924.—Busy to-day drafting report to London on the proposed Commercial Treaty and on the Protocol which accompanies it. (*See* Appendix II.) I have made it clear that the fullest reserves have been made by the British negotiators with regard to acceptance by the new Government, and I have frequently told the Germans that I am by no means assured what kind of reception will be given to the basis which has been prepared. From the English point of view the concessions we have obtained are of extreme value. They open an era of considerable commercial development, not only between England and Germany, but with the nations of Central Europe, for there can be little doubt that the precedent once set of recognising the claim of England to special treatment, the example will be followed. My thesis throughout has been that a large importing country like England, which gives free trade conditions, is entitled thereby to better treatment than a protectionist country. The usual foreign contention, expressed or implied, is that, bound by our theories, we are powerless to retaliate, so we can be worse treated than those who can retaliate. My personal belief has always been that the vastness of our imports gives us exceptional power to exercise retaliation, and that we are justified in using it if requisite. We could use it effectively—not perhaps a very orthodox free trade doctrine, but a sound practical one. Free trade treaties have never been negotiated with sufficient vigour.

CHAPTER V

NOVEMBER 1924—JANUARY 1925

Chamberlain on the Commercial Treaty—Luncheon with Winston Churchill, the new Chancellor of the Exchequer—Signature of Commercial Treaty: Views of English Press—Germany's future Government—von Schubert on Security—Controversy over military disarmament—Formation of Germany's new Government—Important German Note on Non-Aggression.

THE General Election of October 1924 returned an overwhelming Conservative majority in the House of Commons. Mr. Baldwin, on being entrusted by the King with the formation of the Government, reappointed Lord Curzon as the Conservative leader in the House of Lords, but disregarded his claims to resumption of the Foreign Secretaryship in favour of Mr. Austen Chamberlain.

BERLIN, *November* 10, 1924.—I am much gratified to hear from Chamberlain that the Conservative Government does not propose to stop the discussion of the new Commercial Treaty with Germany. The draft we have prepared is candidly free trade, but it puts free trade on a negotiating basis, which gives England a chance of obtaining some return for a liberal fiscal policy. Yet I was afraid that the Protectionist section behind the Government would regard it as anathema. Chamberlain has certainly shown himself broad-minded in this matter.

BERLIN, *November* 14, 1924.—Negotiations for a commercial agreement with England have taken a favourable turn. At first the German experts were unwilling to recognise that any reciprocity was due to England for her treatment of foreign goods. They declined to consider a proposal that our goods should be treated in Germany as theirs were treated in England. Their main argument was that since we were prohibited by theoretical conceptions from retaliating, no special consideration could or should

November 1924

be accorded us by self-respecting and intelligent foreign negotiators. Happily, the experts have been overruled by the political heads of the Wilhelmstrasse.

In the Protocol attached to the draft Commercial Treaty, it is laid down specifically that the new German tariff will be drawn up on a basis of reciprocity. I believe this is the first time that such a declaration has been inserted in a commercial treaty. Foreign negotiators have held that England was not entitled to counter-concession, since her own attitude on Free Trade was adopted in self-interest. Personally I have always held that we could obtain better treatment if we fought for it. We have valid arguments and valid means of pressure. English goodwill in commerce and entry into the English market are of such value to a foreign nation that with skilful negotiation considerable return could be obtained for it. I have taken this line when talking to the German negotiators. It was somewhat difficult to reply to their argument that similar claims for England have never been made before.

Apart from these commercial negotiations, the position is satisfactory. Pacification has proceeded apace since the signature of the London agreement. Prisoners on both sides have been amnestied and released, commerce is returning to a more normal basis, and anxiety regarding a financial catastrophe has given place to confidence. Compared with a year ago, the advance towards peaceable conditions is gratifying.

Berlin, *November* 14, 1924.—I have been looking through my notes on the stabilisation of the currency in Germany, and feel bound to add to what I wrote on November 4, that many good judges consider that the whole inflation policy followed from 1920 to 1923 was a device of astute Teutons to avoid the payment of Reparation, and a signal instance of financial Machiavellism. I take leave to doubt the truth of this supposition.

CHAP. V — November 1924

From the first I held that no financial recovery was possible, and that no settlement of Reparation was possible without stabilisation. In the early period only two bankers in Berlin, of those that I knew, were receptive of new ideas on the subject, namely, Schacht and Ritscher. I met these gentlemen on several occasions at Stein's. I also discussed with them and with Georg Bernhard (the Editor of the *Vossische Zeitung*) the best method of getting the German Government to stabilise the currency. We decided that the only effective plan would be to bring over foreign currency experts, and I suggested the name of Cassel—an old friend of mine—and of Keynes, of whose ability I have the highest opinion.

Wirth, who was at that time in power, did not much like the idea of looking abroad for guidance upon this internal question. He was told by opponents of the reform that Cassel and Keynes were both men of extreme theoretical views and quite indifferent to what anybody else thought on their own subject. He therefore watered them down by adding to their number Vissering, whom he hoped to use as a tame elephant, as well as Dubois, a French-Swiss banker of respectable reputation. Brand was added, I think, on the suggestion of Professor Bonn, and proved a most valuable acquisition.

The Reparation Commission, with the exception perhaps of Bradbury, did not at all like the idea of Germany calling in expert foreign advice on a financial matter. They considered this an invasion of their domain, and foresaw, quite correctly, that independent experts would probably give different advice from their own.

London, *November* 23, 1924.—A long interview with Austen Chamberlain, the new Secretary of State for Foreign Affairs, on Thursday.

I found him strongly in favour of the Commercial Treaty with Germany, although a narrower man with his strong

November 1924

protectionist tradition might have seen in it an objectionable tendency. He said: "While I am a Protectionist and you are a Free Trader, I hope we are neither of us so fanatical as not to realise the great advantage which can be obtained from a judicious mixture."

It is not only rare that a Minister reads despatches and telegrams with such care, but it is almost alarming that so much has been noted and remembered.

London, *November* 24, 1924.—Motored yesterday to the neighbourhood of Sevenoaks, and had luncheon with Winston Churchill, the new Chancellor of the Exchequer.

Winston is very resolute about maintaining the 26 per cent. Reparation levy, saying he must have the money and could not do without it.[1] Apart from this, he realises the great advantages of the proposed Commercial Treaty with Germany.

He takes points with the quickness of youth, and scents any opening for oratory like a terrier after a rat.

Churchill was dressed in a workman's suit of overalls: in this he passes the day, dividing the time between digging in the garden, constructing an artificial lake in front of his house, and dictating memoirs of his early life.

I talked to him about drink control and drink revenue, pointing out that he had a great opportunity if he would advance money for the more rapid extinction of bad houses. This would be a social reform, and would give increased stability to the drink revenue. But like everyone else on this subject Winston showed no interest whatever. It appears impossible to stir even the most lively intelligence about drink, and yet it is the only case I know of where a great social reform has been carried through, not only at no cost, but with a gain to the revenue of £100,000,000

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[1] Later on Churchill saved the situation about the 26 per cent. levy by an eloquent interview with the German delegates. They were quite carried away by the combination of his broad outlook with his fervent rhetoric.

December 1924

a year. Moreover, the methods discovered of controlling drunkenness and reducing alcoholic disease are not only effective in their present form, but are capable of almost indefinite tightening up in case of national emergency. That with such remedies available and fully tried out the United States should blunder into Prohibition, involving the vast illegality which has resulted from it, shows how little the experience of one nation can benefit another. It is difficult enough to learn from one's own experience. It also shows what bad self-advertisers we are. Having discovered the solution of an almost universal world problem we do not realise the fact, still less do we advertise it or claim a Nobel Prize.

LONDON, *December* 2, 1924.—The Commercial Treaty was signed to-day, and will come into force immediately after ratification. There does not appear much doubt about its acceptance in the Reichstag.

LONDON, *December* 7, 1924.—All the papers are favourable to the Anglo-German Commercial Treaty. They rightly regard it as a step towards the return of Europe to normal conditions, and to the blotting out of war mentality, while they welcome the advantage to trade which is offered. But practically all the comments miss the essential point: that which constitutes the novelty of the treaty, namely, the engagement by Germany to recognise, by reciprocal treatment of English goods in Germany, the advantage offered by England through her free trade policy and her low tariffs. Whether the omission to note this essential point is due to blindness and carelessness, or whether it is due to a desire not to say anything which might seem to flatter Free Trade at the expense of Protection, I cannot say. The latter difficulty might be easily overcome by saying that the important concession obtained from Germany is due to a free trade conception having been

CHAP. V

December 1924

realised through a retaliatory or even protectionist menace, i.e. the present Government, who are admittedly inclined to protection, might say that it was fear of their resolute retaliatory policy which induced Germany to grant reciprocity for free trade—a condition never made to a pure free trade Government.

Whether this was the real motive behind the German attitude may be doubtful. Personally, I think fear of high duties in England was only a small proportion of the motives which prompted them, others being the fear that English capital and financial facilities would only be available if a Commercial Treaty was made on lines fair to English commerce—fear of a less friendly political attitude—desire to get rid of the penal clauses against Germany.

Whatever the causes, there is every justification for claiming that a similar line of argument to that adopted in the case of Germany would be successful in the case of other countries. England could say: "Germany has agreed to recognise the advantage of the English free trade system and will give reciprocity. Can you—an old ally and not an ex-enemy—behave less well than Germany? With her we have obtained an extremely precise and extended most-favoured-nation clause—can you give us less?"

So far for the equities of the case. Behind this would be not the menace, but the fact that England can hardly maintain extremely cordial relations with, or offer financial facilities to, any country that does not give her fair reciprocity for the advantages which the English system offers.

Along these lines I am convinced that in a year or two a marked amelioration of the conditions under which English trade enters foreign countries could be attained.

Even in the case of pending negotiations regarding the debt of France to us and our debt to America, a strong argument could be founded on the German treaty, saying that it is inconceivable that France, or America, can contemplate treating England on any basis worse than that on which Germany is bound to treat us, and has agreed to treat us.

December 1924

BERLIN, *December* 28, 1924.—The internal political situation remains obscure. No one knows what Government it will be possible to form next month. No combination seems able to count on a stable majority. Marx and Stresemann, who have achieved great things together, the one as Chancellor and the other as Foreign Minister, are on less good terms than they were three months ago. Stresemann, for some unknown reason, unexpectedly bifurcated to the Right during the elections, and insists now on the necessity of bringing the Right in as a component part of the new Government. Marx, who is a very honest man, but not Stresemann's equal in ability and adroitness, refuses to lend himself to any coalition with the Right.

A LONG talk last night with Maltzan, ex-Secretary of State, who has been appointed Ambassador to Washington. He could not give any clear reason why Stresemann had gone so much to the Right.

EVERYONE is more or less agreed that Stresemann should remain Foreign Minister—not that they have such great confidence in him or affection for him, but that there is nobody else. Personally, I rate his skill and his services much more highly than the public do.

MALTZAN says that he himself was sounded by Ebert as to whether he would become Minister for Foreign Affairs, but he declined any overture of this nature on the ground that he is very tired by his work as Secretary of State and requires for two or three years the comparative repose of a foreign post.

MALTZAN discussed the relations of Germany with Russia. In his view the necessity for Germany to rely on Russia was to-day considerably less than at time of the Treaty of Rapallo. No country could stand alone—the only possible

CHAP. V — December 1924

support at that moment was Russia. That was why the Rapallo Treaty had been signed, and why it was justified. In his view it had led to the Dawes report: personally, I think this paternity somewhat doubtful.

Maltzan went on to say: " To-day England and America both take an interest in Germany. The American material interest here is a considerable factor. We feel that we are no longer isolated as we were—therefore we need the Russians much less than we did.[1] We shall maintain friendly relations with them, but nothing of an intimate character. Moreover, the Russian Army has deteriorated considerably. I doubt if it would be of much good even against Poland, but it is strong enough to maintain the present régime at Moscow, and to this régime it remains loyal. I anticipate no big change in Russia, but a gradual evolution. The present leaders are fanatical enthusiasts—all more or less mad. The next generation will be less mad, but they will remain communistic."

Discussing the fear which exists in Paris that there will be a military alliance between Germany and Russia, Maltzan said no apprehension need be felt. He had discussed the matter quite calmly with the French Ambassador, and told him that both France and Germany must keep their heads and not allow the Russians to jockey either of them into an alliance with Russia through fear of the other.

Berlin, *January* 12, 1925.—This question of disarmament becomes more and more complicated. Personally, I have no doubt whatever that any danger from German military organisations has long since ceased to exist. I have reported this home time after time, and it has probably appeared in previous pages of my Diary, but I now learn that in the circle of the General Staff in London a grave view of the situation is taken; they harass the Home Government with the most serious warnings. So much is this the case that the whole matter may be referred to the Committee of Imperial Defence. I am convinced that any impartial man taking a broad view of the question would share my opinion and not that of the General Staff in London.

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[1] NOTE OF *November* 1925

Later private information is to the effect that Maltzan did not want Washington, but that Stresemann did not want Maltzan, at least not as Secretary of State in Berlin. He thought him too Russian, and feared that the L. of N. policy—and the Pact policy—would be impossible if Maltzan remained in the Wilhelmstrasse as a high official.

BERLIN, *January* 14, 1925.—To-day I discussed the question of SECURITY with Schubert.

HE appears inclined to formulate some proposal along the Cuno lines, eliminating from that proposal the words regarding a plebiscite, and adding to it an engagement that all questions which cannot be arranged diplomatically between the Powers signing the Pact should be submitted to arbitration, either to The Hague Tribunal or to some other tribunal.[1]

SCHUBERT was prepared to enter into an engagement to respect the territorial possessions of all countries interested in the Rhine, but declined to do this as regards the Polish frontier. I pointed out that it might create a bad impression if Germany specifically excluded the Polish frontier from such a guarantee.

THE basis of the German position is that they are ready to go very far in accepting non-aggression and pacification pacts, provided that the engagement is fully and frankly reciprocal.

[1] THE above conversation was held six days before the Note of January 20 to London, which was practically identical with the Note to Paris of February 9. Schubert and Lord D'Abernon often talked of the Pact of Security as "Das Kind," regarding it more or less as a joint production, and watching over its early life with quasi-parental care.

Berlin, *January* 15, 1925.—The controversy about military disarmament is still with us. As disarmament is admitted by all competent authorities to have been carried out to at least 95 per cent., it is foolish for the Germans to haggle and procrastinate about the remaining 5 per cent., which cannot possibly be of any military effectiveness. No military action could be contemplated on such a basis. Why then not complete the whole policy and get the credit for it? The authorities in the Wilhelmstrasse, I believe, recognise the truth of the above view, but they find it difficult to get military officers to carry this conception to its logical conclusion. Considerations of dignity and military honour come in.

In this question as in others the necessity of a *quid pro quo* makes itself felt. The German mind is particularly sensitive on this point and in doubt whether execution of disagreeable obligations on their part will bring about a fair return. The fundamental cause of the resentment against the non-evacuation of Cologne was suspicion; an unreasoned conviction that this was the beginning of a policy of non-fulfilment by the Allies which would result in delay in evacuation of the Ruhr on August 15, and in the subsequent evacuation of the Coblenz and Mainz zones. German officials have so far carefully abstained from saying this, as they think that any expression of doubt about execution of a contract weakens the binding force of that contract, but it is quite obviously in their minds and still more in the mind of the public. Remove or dispel this suspicion and the course of negotiations will be easy.

Two minor indications of opinion:

The Russians are desperately anxious to make out that they are on better terms with His Majesty's Government than is really the case.

The French Embassy are making a renewed attempt to soften political asperity.

Berlin, *January* 17, 1925.—While military disarmament in Germany is practically complete, I am less happy about the problem of aeroplane development and doubt if the Treaty of Versailles has dealt with this most important matter in a really effective way. The intention in that Treaty was to restrict and curtail the construction of military aeroplanes in Germany, and nine rules have been laid down by the Allies under which military aeroplanes are prohibited, while civil aeroplanes are allowed. Alarmists say that no effective distinction can be made and that the only result of restrictions has been an intensive development of German industry abroad. It is generally admitted by experts that civil aircraft can readily be converted into military machines of fair efficiency in a short space of time, and it is possible that Powers which are restricted will secretly prepare military fittings, such as bomb racks and machine-gun stands, to facilitate such conversion when the time occurs. As with aircraft, so in a lesser degree with submarines. It is alleged that German subjects have established private laboratories and workshops in various countries ; in Spain, in Sweden, in Switzerland and in Holland. In the last-named country periscopes are made ; in Switzerland, submarine engines ; in Sweden, torpedoes, and in Spain, shells.

Berlin, *January* 21, 1925.—The new Government has so far been a disappointment to its friends, and still more a disappointment to its opponents. The former consider it too tame; the latter find that there is nothing in the Government programme which they are likely to be able to attack with much success. Everyone—friend and enemy alike—is surprised at the moderate and progressive tone adopted by Luther and Stresemann. Surprise would be even greater did the public know the contents of the memorandum Pact of Mutual Security which I forwarded to London last night. (*See* Appendix III.)

CHAP. V — January 1925

In readiness to meet Allied demands in the matter of Security, and in general conciliatoriness of tone, this document goes far beyond anything which the public in Germany expect. It is to be noted particularly that the idea of bringing America in as a "Treuhänder" or Trustee, which I have always thought rather impractical, is not stated as an essential condition.

The German Government are prepared to negotiate Security on any reasonable basis. In my view, whether the precise proposals made are immediately practical or not, it is important to have them on record officially, and to base discussion upon them. They constitute an immense step forward in the direction of pacification.

CHAPTER VI

JANUARY—FEBRUARY 1925

Historic German initiative: first draft of what became Locarno—The new Chancellor of the Reich, Dr. Luther—The new Pact of Mutual Security as compared with that of 1922—Cassel on the Dawes Plan —Stresemann on possibility of Commercial Treaty—German Press on Security—Luther's speech to the Press—Chilly British attitude towards German initiative—Chamberlain criticises Luther—Luther on Germany's foreign policy.

Berlin, *January* 21, 1925.—We appear to be entering on an interesting phase of negotiation. Yesterday, the Secretary of State handed me a most important memorandum from the Chancellor and the Minister of Foreign Affairs. For the first time, this document takes up the question of reciprocal security on broad lines. (*See* Appendix III.)

In brief summary, the German Government say that the question of security has always played a considerable part in the attitude of France towards Germany. Germany is now ready to take this point of view into consideration and to enter into an agreement of a general nature in order to secure peace between Germany and France.

After referring to the proposal made by Dr. Cuno in 1922, which was turned down by the French Government, the German Note declares that a Pact of Mutual Security such as they now propose could be combined with an arbitration treaty, Germany being prepared to conclude such treaties for the peaceful settlement of juridical and political conflicts with all European States. Further, Germany would agree to sign a Pact expressly guaranteeing the present territorial status on the Rhine, and engaging to conform to the obligations laid down in Articles 42 and 43 of the Treaty of Versailles regarding the demilitarisation of the Rhineland.

The Note concludes with a phrase, saying that if there is

CHAP. VI

January 1925

a sincere desire for peaceful evolution in all the States concerned, a secure treaty foundation cannot be difficult to find.

This German initiative is of the utmost importance. I have long thought the question of mutual security between France and Germany infinitely more important than the minor discussions on which we have been engaged and less difficult of solution than the smaller issues.

It remains to be seen what reception the German initiative will meet with in London and Paris. At first, surprise will be so great that no one will grasp the real importance of the negotiation, or believe in the *bona fide*. Some will suspect a German device for creating difficulties between France and England.

Berlin, *January* 22, 1925.—Luther, the new Chancellor, is not a party politician.

He first came into prominence at the end of 1923 as Minister of Finance, and can claim, with Schacht, the principal merit for the restoration of Germany's finances and the stabilisation of her currency. Although Schacht took the leading part as regards currency, it may fairly be said that, by restoring equilibrium to the Budget, Luther rendered it possible for Schacht to avoid excessive note issues and thus create stability. Neither could have achieved his end without the other. The transformation of revenue returns under Luther's administration has been astounding. Within a few months the receipts of the Government have increased many hundred per cent.

Luther has none of the minor graces, but a sturdy presence, not unlike a Thames tug, and a capacity, not to say a predilection, for saying "No." As an orator he has hitherto enjoyed no great reputation. But his speech yesterday surprised everyone by its vigour and conciseness. It proved that he is most effective in reply, while, in developing his case, he possesses the Bonar Law faculty of reeling off figures without a note and without an error.

The Reichstag was deeply impressed with the force of the Chancellor's personality.

January 1925

The politician behind the throne in the Luther combination is supposed to be Stresemann, who possesses a profound knowledge of the game, and whose judgment of political probabilities I have found, on several occasions, to be singularly correct.

But in dourness and decision Luther may turn out to be the stronger. The fact that he is Chancellor of the Reich is a guarantee for stable currency conditions and for a maintenance of rigorous fiscal administration.

Berlin, *January* 23, 1925.—I have been through the German Memorandum of January 20 again, and am more than ever impressed with its vast importance. In its present form it is ultra confidential. Outside the German Foreign Office no one has seen it except the Chancellor, Luther. I understand it has not been discussed by the Cabinet. Schubert tells me that the German Government have in mind pacification of a permanent character. Several alternatives are indicated, and the Government are prepared to discuss any proposals which will bring about a real feeling of security and pacification. With these ideas in mind, they consult the British Government first, less with a view to obtaining their assent than to ascertain in what manner we should advise bringing the proposal forward. Schubert is clear in his own mind as to the fundamental importance of the step.

He impressed upon me that the proposal must not be confounded or confused with minor controversies. The proposed Pact is of a different order of magnitude.

Berlin, *January* 24, 1925.—It is interesting to compare the new proposal of the German Government with the Pact of Non-Aggression which was presented by Cuno in December 1922.

CHAP. VI — January 1925

The basis of the earlier negotiations was that a solemn obligation of Non-Aggression should be undertaken by both France and Germany; England, Italy and Belgium coming into the engagement in a secondary degree. The solemn obligation was to be undertaken towards the disinterested trustee—the United States.

This proposal immediately met with so favourable a reception in Washington that it was communicated by Washington to Paris. But the French Government, under Poincaré, refused to treat, and rejected the proposal so categorically that Hughes considered nothing was to be gained by further negotiations at that time.

The most authentic account of the episode was contained in the German Chancellor's speech at Hamburg on December 31, 1922. He said that he had received the authorisation of the United States Government to mention the subject of the negotiations only an hour before he spoke. This authorisation was subject to the condition that America should not be mentioned by name, but should only be alluded to as a " third Power " or as a " great Power."

Cuno continued, saying that the object of the German Government was to establish peaceful relations and to prove that all parties in Germany were resolutely opposed to a war of revenge or to warlike operations of any kind.

While there can be no reasonable doubt that the speech at Hamburg was intended to give the maximum guarantee of peace, it had precisely the opposite effect, for the closing words were: " Germany on the one hand and France on the other would engage not to make war *except by authority of a plebiscite*." As no plebiscite has ever stopped a war, this phrase not unnaturally raised suspicion and suggested insincerity. This was pointed out to Cuno, who at once said that if the words weakened the security of the pact they must be deleted. A formal declaration to this effect was communicated to the British Government.

January 1925

In a later conversation regarding the proposal, the Chancellor argued that the essential fact regarding the declaration was that it was made by a Government which was supported by all parties in Germany, notably by the Right. This gave the offer a solidity which it would not have had if it had proceeded from a Socialist Government or even from a Government of the Centre, in which the parties of the Right were not represented. Moreover, proposed by him, a Pact of Non-Aggression would certainly not be attacked by the Right, whereas, if proposed by a Government more to the Left, grave opposition was to be feared. If the plebiscite was deleted, the declaration would run as follows: "England, France, Italy and Germany solemnly engage themselves not to declare war or wage war with one another for thirty years. Further, they bind themselves to the United States of America to observe this engagement." The engagement, as proposed, was not limited to the declaring of war, but included the waging or carrying on of war.

As regards the limitation of the engagement to a generation of thirty years, this was indicative and not limitative—it was not a maximum, but rather a minimum. The German Government states that they would agree to fifty years or to any considered practical period.

From the point of view of European pacification, it was certainly an error to reject this proposal out of hand. If the terms were either inacceptable or inadequate in their original form, they could have been modified and made the basis of fruitful negotiations.

Poincaré, however, rejected the whole proposal *a limine*, declaring it was hypocritical and designed merely to prejudice the debate. The Ruhr advance was then only a few days off.

It is to be hoped that the attitude of two years ago will not be repeated by the French Government of to-day. The terms of the Pact of Mutual Security are much

January 1925

wider and more fluid than those discussed in 1922. Indeed, nothing which could lead to a practical result appears to be excluded from consideration.

Berlin, *January* 25, 1925.—That such an initiative as the Note of January 20 should have come from the new German Government must be a great surprise to everybody who is aware what a disappointment the Government has been both to friends and to opponents.

Those who have previously considered them too tame will certainly have to revise their judgment. When the Note comes to be published there will be shouting of the captains.

Berlin, *January* 26, 1925.—During a recent conversation with Professor Cassel, I found that he is by no means confident either as to the final possibility of carrying out the Dawes plan or regarding the stability of German currency. On the latter point his theory is that the Reichsbank, as soon as its gold reserve has been increased by the produce of the loan of 800 millions R.M., will unduly increase the note circulation of the country.

As is well known, Cassel is hostile to the view that circulation can be increased without danger merely because a gold reserve exists amounting to 30, 40 or 50 per cent. of the total issue. He regards stability of exchange as essentially due to the restriction of the amount of currency in circulation to the amount of real currency requirements. Value of a currency is maintained by scarcity and by no other essential clause. The gold reserve theory he considers obsolete, except in so far as it affects velocity of circulation.

He is also of opinion that, in the Dawes report, far too much prominence was given to the gold-backing theory.

It is interesting to record that these general views were expressed by Cassel in conversation with myself and Luther. The latter was in agreement with Cassel. The Chancellor proposed at some early date, and as soon as he had leisure for the purpose, to write an account of the currency reform in Germany. This will constitute an epilogue to the pamphlet he published some time ago entitled *Fester Mark—solide Wirtschaft.*

The Chancellor, who can claim a large share of the merit of the German currency reform, remains a fervent believer in the quantity theory, attaching at the same time importance to the influence of velocity of circulation.

Cassel went on to say that what has been done in Germany in the matter of currency reform is not only a great achievement in itself—it is both an example and an encouragement to other nations, for it proves that currency stability is more a matter of will than anything else. It also shows that it is wiser to stabilise at the level where you are rather than to endeavour to revert to a higher level. This would presumably apply to France and Italy. For special reasons Cassel would not have advocated the application of this general conclusion to England.

In a further conversation with Cassel, he denounced all the talk which there is in Germany about a favourable and unfavourable balance of trade as being largely based upon an illusion. In his view there must always be equilibrium, and little importance would attach to an alleged excess of exports or of imports, even if the figures regarding them were capable of far more exact estimation than is at present the case. The richest countries of Europe have always had the largest unfavourable balance of trade. In the case of the United States, it would seem that the so-called favourable balance is in the long run impossible unless very large transfers of capital are made from America to Europe. Should this not occur, America would be compelled to increase her purchases of goods from Europe.

CHAP. VI

January 1925

Berlin, *January* 29, 1925.—*Die Zeit* publishes this morning a note on the question of Security, declaring that reports in the foreign Press of a fresh German proposal are inaccurate. The German Cabinet has not yet discussed the question. Moreover, Germany is now engaged in controversy regarding Disarmament, so that it is scarcely advisable for her to raise the question of Security.

This publication must have been inspired by the Government, and had probably two objectives: to quiet opponents here; to make the English Government realise that they have been rather slow in responding to the German initiative, and that Germany, not having been encouraged in her endeavours to establish a basis of Peace, will not persist in them.

Stresemann expected an immediate response of a cordial character to his bold initiative; he is disappointed that so far from cordiality there has been no reply whatever.

Berlin, *January* 30, 1925.—A conversation with Stresemann rather confirms my impression about the article which appeared in *Die Zeit.* It was clear that he was annoyed at the absence of any response to his initiative. It was essential for the dignity of Germany that she should not put forward fundamental proposals for general pacification, except at a moment when such proposals would be properly treated. As such did not appear to be the case at present, he was—speaking for himself—inclined to postpone the whole discussion and recede from his offer. He could not tolerate that a proposal of the highest importance for the peace of Europe like the proposed German Pact of Mutual Security should be confused with a minor discussion such as that regarding Disarmament.

I did my best to smooth down Stresemann's feelings, and pointed out to him that in matters of such importance time was obviously necessary. Stresemann's attitude is to a certain extent tactical and, possibly, good tactics. It would be bad diplomacy for the German Government not to insist upon the vast importance of the recent initiative.

Berlin, *January* 31, 1925.—Luther's speech last night to the Press was understood to mean that all reasonable demands for military disarmament would be carried through. The one reserve was in regard to the police.

The essential condition for military disarmament is still that the Allies should make a clear statement that evacuation indubitably follows execution of Treaty obligations. The words in the Allied Note of January 26 went some way in this direction, but they were a pale travesty of Lord Crewe's original draft. It may conceivably be possible to reinsert his words in some future Allied communication. If this is done, it will be found that difficulties in the path will diminish very rapidly.

As soon as it is made clear to the German mind that evacuation follows automatically, unjust suspicions regarding our attitude will disappear. I attach great importance to this.

With regard to the German initiative in the matter of Non-Aggression, it appears to me impossible not to regard their Memorandum of January 20 as a serious guarantee of peaceful intention. Compared with previous offers, the phrases used are more precise: the general scope is larger. To adopt the view that it is a dodge or trick of controversy is not only unjustified by the facts, but would be extremely inexpedient even were it justified.

Just at the moment Stresemann is disappointed at the lukewarm reception of the German initiative, and is inclined to recede from his original proposal: this is partly tactics; partly inspired by finding that some members of his Cabinet think that the Memorandum of January 20 went too far and was too definite. I do not doubt, however, that with skilful management he will come round himself and will carry his colleagues.

I HEAR confidentially that Stresemann says to his friends: "It would be easier for Germany to make some agreement with Briand or Loucheur, because neither of them would meet with the violent opposition from the Right to which Herriot is exposed. It is an analogous case to that of Germany, where I am able, with the Nationalist members I have at last succeeded in getting in the Government, to come to a fair arrangement with the Allies, much better than the Socialists would have done. No one believed that my object in bringing in Nationalist members was to be conciliatory: now they see that what I said was true, and that I can afford to be more conciliatory than the Socialists, with whom the French continue to intrigue against me."

BERLIN, *January* 31, 1925.—From a confidential source I hear that Stresemann's present inclination to recede from the offer of the Pact of Mutual Security is not merely tactics, but is caused by unexpected resistance which the proposal has met with in the Cabinet.

BERLIN, *February* 1, 1925.—The cause of London's silence regarding the German proposal is now clear. The line taken has been that the English Government could not receive confidential negotiations from the German Government, unless they are at liberty to discuss them with our French Allies. Moreover, the British Government hold that the question of French Security must be first defined before any discussion is possible regarding the German Pact of Mutual Security.

NOT very promising.

BERLIN, *February* 2, 1925.—The following is said to be authentic:

GERMAN Ambassador to Herriot:

"WE cannot understand why France makes such a fuss about some rusty old pieces of iron at Wittenau."

HERRIOT:
"ONLY four nails were needed for the Crucifixion."

February 1925

BERLIN, *February* 3, 1925.—President Ebert dined here last night, also the new Chancellor, Luther, and the American Ambassador and Mrs. Houghton. The dinner was mainly a farewell dinner to the Houghtons.

I HAD some talk with Luther after dinner, and found him both perturbed and annoyed at Chamberlain's criticism of his speech last Friday.

HE said that his tone had been most conciliatory, and had been considered so both in Germany and in France. He did not understand how Chamberlain had derived so false an impression, since he had specifically said that Germany would make good deficiencies in military disarmament, and was also prepared to discuss with France a Pact of Mutual Security.

CHAMBERLAIN'S attitude rendered the task of the new Ministry decidedly more difficult. He himself did not know what line to take.

IN reply, I advised Luther to wait until he had the full text of what had been said—telegraphic summaries were extremely misleading, and I should be surprised if, when he received the full text, the impression was not modified. It was particularly noticeable that Chamberlain had mentioned Germany's readiness to make good deficiencies in military disarmament, and had also repeated, not for the first time, the declaration that the Allies would scrupulously fulfil their Treaty obligation. This declaration, in my opinion, might fairly be read in connection with the Reuter telegram regarding automatic evacuation of the Cologne area as soon as Treaty demands are strictly complied with.

THE impression left on my mind by the conversation is that Luther considers Chamberlain so prejudiced against Germany that it is impossible to base any line of policy upon co-operation with London.

The German Government are unquestionably disappointed that their initiative of January 20 regarding a Pact of Security was not taken up more warmly. In my view it was a grave mistake not to have responded to this advance at once in an encouraging sense.

I have had no direct indication from London as to the view of the English Government on the subject, but Schubert informed me of a conversation between Chamberlain and Sthamer, in which stress was laid on the impossibility of England doing anything in this matter without the full knowledge of France, and great apprehension was expressed lest conversations between Berlin and London should be regarded as disloyalty to Paris.

Mild appreciation of the German proposal was expressed, but it was added that the present moment did not seem opportune, as the Protocol was still under discussion. When the Protocol had been dealt with, it would be time to discuss the German proposal.

The above is the German view of what Chamberlain said. It is possible that the English records of the conversations may give a slightly different impression. Whatever the words used may have been, and whatever the precise intention of the interlocutors was, the bald result is that, for the moment, the proposal has receded into the background.

I do not think it was without benefit that it was made, but I repeat what I have said in an official telegram, that it is a vast pity that measures were not taken to encourage the development of discussion on so hopeful a basis.

Berlin, *February* 3, 1925.—All I hear from London goes to show that the main effect of the German initiative has been to arouse suspicion in official circles. It is held that a discussion on the question of a Pact of Mutual Security cannot be usefully entered into until the attitude of Great Britain to the question of French security is defined. I hope this does not mean that the Bilateral Pact, guaranteeing both France and Germany, is going to be cold-shouldered in favour of an Anglo-French and anti-German agreement. Such a result would be deplorable.

I CONTINUE to impress upon London that it is impossible not to regard the German memorandum of January 20 as a serious guarantee of peaceful intention. Compared with Cuno's offer, the words used are more precise, the general scope larger. To imagine that it is a mere trick or dodge is unjustified and unwise. The fact that such an offer has been made must influence, if it does not bind, future German Cabinets. The more importance we attach to the negotiation the greater its influence on the future.

I STILL think that Stresemann's annoyance at the lukewarm response to the German initiative is as much tactics as irritation. But he does not respond readily to my assurances that all will come right, and that the German attitude will finally be understood.

BERLIN, *February* 5, 1925.—I am disappointed to hear from London that the German overture of January 20 is considered premature, and that they believe the moment not opportune for the successful prosecution of so large an initiative. This is totally contrary to my own view, but it is difficult to know how to bring them round.

THE German Ambassador in London reports that the main, if not the sole, advice he received from the Foreign Office was that the most effective step Germany could take would be to join the League of Nations, and that Chamberlain was wholly unable to understand Germany's refusal to take a step so obviously in her own interest. With regard to the Note of January 20, Chamberlain could not agree to be put by Germany under any obligation of secrecy towards our Allies. While the present overture is premature, he believes that France may be willing at some later time to consider some such proposal, but not until the attitude

CHAP. VI

February 1925

of Great Britain on the question of French security is more fully defined. A further reserve was added that nothing would be possible if the agreement proposed was to be dependent upon the evacuation of the whole of the occupied territory.

It is possible that Sthamer has not reported fully all that Chamberlain said, and that he has missed the important point, which was that by their proposal of January 20 the German Government declared their intention to enter into a binding agreement to respect French security, provided that their own security was equally safeguarded by the same document. This is a new departure of such vast importance that all subsidiary considerations and all fencing and finessing about diplomatic niceties should be ignored.

Berlin, *February* 7, 1925.—I have now ascertained that the German proposal for reciprocal security is not in any way dependent upon the evacuation of the whole of the occupied territory. This ought to help things forward in London.

In the matter of military control, events of the past week are wholly satisfactory. Chamberlain's representations, in Paris, had an almost magical effect, for General Wauchope tells me the attitude of his colleagues on the Disarmament Commission has suddenly changed, and that they appear desirous of bringing about a solution as rapidly as possible.

I am also glad to hear from London that as a means of getting a settlement of outstanding questions, the plan of a Conference versus notes has been adopted. The sooner the Conference takes place the better.

The present moment is exceptionally auspicious, in that the constellation of Luther-Stresemann, supported by tame Nationalists or semi-tame Nationalists, is the one most favourable to general agreement. Apart from the

February 1925

general mutability of human affairs, the duration of this combination is specially threatened by the atmosphere of financial scandal which prevails in Germany to-day. Revelations of an incriminating character follow one another in quick succession and any public man may be attacked. The Socialists are deeply discredited through Bauer.

BERLIN, *February* 9, 1925.—The new Chancellor—Luther—has made a satisfactory declaration regarding the foreign policy of the country. First and foremost, he is determined to carry out strictly the Dawes plan. Secondly, he is prepared to enter into negotiations for a Pact of Mutual Security, and is favourable to any measures which will produce tranquillity and peace.

THE important point about this attitude is that it has been adopted by a Government in which the Reichstag as a whole is represented. Had a Government which did not contain members of the parties of the Right made this declaration, there would have been grave opposition. Stresemann has always underlined this view, declaring that the Right were more dangerous in opposition than in office. The event proves his contention correct.

FROM the point of view of the Allies, the essential necessity now is to negotiate rapidly, and when I say " negotiate " I mean personal negotiations, not a mere exchange of notes. There is another condition necessary to success, namely, to abandon the view that Germans are such congenital liars that there is no practical advantage in obtaining from them any engagement or declaration. On this assumption progress is impossible. Personally, I regard the Germans as more reliable and more bound by written engagements than many other nations.

CHAPTER VII

FEBRUARY—MARCH 1925

Second Draft of Peace Pact sent to Paris: Herriot's discretion—Modification of England's views regarding German initiative—Triangular negotiations between Berlin, Paris and London—An opinion on the Kaiser—A story of Bismarck—Stresemann, disappointed at its reception, threatens to withdraw offer of Peace Pact—Germany and the League of Nations—Chancellor on Germany's position at Geneva—Death of Lord Curzon—Chamberlain's speech at Geneva—Expert's views on the "Danzig Corridor"—Augustus John's portrait of Stresemann—Revival of Pact offer.

CHAP. VII
February 1925

BERLIN, *February* 11, 1925.—The plot thickens. Two days ago the Chargé d'Affaires of the German Embassy in Paris handed to Herriot a Memorandum, essentially identical with that communicated to me on January 20th. The German Ambassador was ill himself, but thought it expedient not to delay delivery of the Note until his recovery. Herriot of course knew almost all the contents of the Note already, having heard them from London. He appears to have received the Memorandum favourably, and promised to keep it absolutely private. It would be fatal if the facts became known prematurely. Extreme parties of the Right, both in France and in Germany, would kill the whole negotiation in two days, even if they did not kill the negotiators in addition to the negotiation.

BERLIN, *February* 14, 1925.—I remain optimistic. The situation contains immense possibilities. There are admittedly grave difficulties to overcome—serious dangers—but there has never before been such a fair chance of landing a big stake and of establishing peace in Western Europe.

BERLIN, *February* 14, 1925.—Herriot's promise to keep the German proposal a secret appears to have been most strictly observed. I have seen no mention of the negotiation in the Press.

Berlin, *February* 18, 1925.—The Foreign Office system of circulating telegrams and information appears to me wholly excellent. In this way one is able to follow what is going on in every capital in Europe, indeed in the world. And the unravelling of the tangled skein is admirably facilitated by organised system.

London complains of alleged duplicity on the part of the Germans, because in their communication of January 20 they stipulated that it was to be regarded as secret and in a more complete communication to Paris of February 9 a similar stipulation was imposed. This is a misunderstanding of the necessities of the situation. If either the Note to London or the Note to Paris had been communicated to anyone outside the Powers specifically addressed, the contents of these would have become a subject of public debate, and the whole of the work would have been undone. I am amazed at the secrecy which has been preserved; any future success which may be obtained is to be attributed very largely to the strict silence maintained.

London, happily, is coming round to recognise the vast importance of the German proposal. They have taken the sound line that the true path of progress is not to sign the Geneva Protocol, but to proceed from the particular to the general.

It is clear that while a certain guarantee may be entered into by England regarding the Franco-German frontier, a similar obligation for the defence of the Polish Corridor is out of the question.

Berlin, *February* 18, 1925.—It is satisfactory to get information from London that views there have been changing very considerably during the last month. The

German initiative regarding Security is no longer considered as inopportune, but as an event of cardinal importance. This is progress.

Berlin, *February* 21, 1925.—There is difficulty in keeping pace with the triangular negotiations going on between Berlin, Paris and London. One is never quite sure that what is told "A" of conversations between "B" and "C" is more than half the truth. Without any intention to deceive, people—in Berlin not less than elsewhere—are apt to put their own interpretations on what is actually said, and to forget or minimise what they do not like.

In some circles, the German action is viewed with great suspicion, but I hold that they have been straightforward. They informed us of their intentions some weeks before they approached France, (*a*) to get advice, (*b*) to avoid any suspicion that they were negotiating behind our backs.

France is regarded as the principal contracting party ("der erste Contrahent") with whom agreement has to be reached. England they consider as a moderating force on France, and as at once fair, reasonable and moderately wise. They listen carefully to any advice we give, and, within limits, they accept it.

For the moment, the German Government do not propose to take any further steps in this matter. They will await some move on the part of Herriot.

The impression they have derived from conversations in Paris is that Herriot has modified his antagonism to the Luther Government. He now enters upon quite confidential exchanges of thought with them, saying he has no right to meddle in German internal politics, and that he considers Luther's action has been far better than he expected it to be. He also discusses his own position with reassuring frankness.

As regards the memorandum of February 9, Herriot appears not to have told the German Government that he mentioned it to us. Which is just as well. The surmise here is that he is preparing the ground with his ministerial colleagues, so that when they see the text of the memorandum they may be prepared to welcome it.

The truth of the matter appears to be that in all three countries the Foreign Ministers could come to an arrangement constituting a real guarantee of peace. But in each case there is some doubt as to how far they can carry public opinion.

Berlin, *February* 22, 1925.—An interesting conversation to-day with a high official who is not only in an excellent position to know currents of opinion which prevail here, but who had exceptional opportunities of dispassionate observation under the old regime.

He attributed the Emperor's mistakes before 1914 to family circumstances and to family quarrels. The Emperor affected airs of superior morality which not only brought him into conflict with King Edward, but also with many members of his own family circle—Prince Henry, Princess Charlotte, etc.

Whenever the less puritanical members of the Hohenzollern family came to Berlin they were lectured and told that their conduct was "unmoralisch." This did not stimulate cordiality.

Furthermore, the Emperor was not only unpopular with his own family, but also with aristocratic circles in Germany. They objected to his indulgent attitude towards the Jews, and to what they regarded as his "parvenu" manners.

The Emperor's feelings towards England were derived in part from the old Bismarck hatred of the Empress Frederick. Even after Bismarck had fallen the Emperor resented the attitude of friends of the Empress Frederick and the assumed superiority of English ideas which this circle, somewhat tactlessly, affected and advertised.

CHAP. VII

February 1925

Conceivably, however, an agreement with England might have come about but for the Emperor's objection to Germany being treated by England as a junior partner.

In the view of my informant, the Tirpitz influence was less important as a factor of general policy than the family causes indicated above.

It is difficult to say whether my informant is right in his views, but there can be no doubt that the Emperor William was extremely jealous of his uncle King Edward, resented his authority and his popularity on the Continent, criticised his manner of life, and was not indisposed to regard himself as entrusted by Providence with a mission to raise the morality of the English Court and put England in her place in relation to Germany.

Berlin, *March* 3, 1925.—The following story is characteristic of Bismarck.

A few days after his wife's death one of his friends called at his country place, expecting to find him depressed and sorrowful, since the marriage had been a most happy one. Instead of that he found Bismarck in a tearing rage about the bills which had come in since his wife's death for small things she had ordered for the house. Every post brought him in fresh accounts. As a matter of fact, the bills were not for any personal requirements of the Princess, but merely household necessities. These, however, completely upset the equanimity of the Iron Chancellor.

Bismarck was a bad farmer, and mismanaged his land in the manner usual to statesmen and to those who can only give partial attention to their own affairs.

With all the extraordinary success of his policy and his immense position in the world, he said he had only enjoyed two happy days in his life. On all the others annoyance and worry pursued him.

The details one gets in Berlin of his relations with the different political parties in Germany, of his relations with the Court, and still more his relations with the ladies of the Court, show that he never had a smooth and easy time. There was constant opposition and constant intrigue against him.

EVEN with the military he did not easily get his way. In the 1870 War he had to learn the plans of the generals almost through keyholes and back doors, mainly through his personal relations with princely and royal personages attached to the different staffs.

HE also learned a good deal through Press correspondents, with whom he took care to maintain very friendly relations.

BERLIN, *March* 5, 1925.—Stresemann has become more difficult lately, and is certainly less inclined to follow English advice than he was.

THIS is mainly due:

(*a*) To our coldness regarding the pact.

(*b*) To our attitude over Cologne.

(*c*) CONVERSATIONS reported to him from London in which the language used has been very unfriendly to Germany. The recurring theme has been: "How clumsy the Germans are! how they mismanage this and that!"

As a matter of justice, I must record that in my opinion they have been particularly intelligent lately, and have helped things on more than others.

THE only counter to these tiresome and injurious reports is to dilate upon the services England has rendered to Germany—the extreme breadth and generosity of our policy. I was talking on these lines the other night, at the Afghan supper, to Stresemann and his wife, dilating, in a friendly manner, on Germany's great ingratitude for English assistance in the different problems of the last four years.

STRESEMANN broke in to say that he fully recognised that without England's assistance Germany would have lost the

CHAP. VII
March 1925

Rhineland. He added, however, that if Poincaré had carried through his policy, Germany would have formed a coalition with Russia, and together they would have swept over Europe. I told Stresemann at once that this seemed to me quite an impossible combination. The German Army could only co-operate with the Russians if they adopted bolshevistic ideas, or were converted by bolshevistic propaganda. How would the German generals have lent themselves to such a conversion? What would have been the feeling in industrial, commercial and bourgeois circles in Germany if any Ministry had attempted to adopt such a policy?

I do not know how far Stresemann was serious in his retrospective threat, but I am pretty convinced that no German Government could have carried out the scheme, however great the temptation.

Reverting to the subject of English services or disservices to Germany, Stresemann said he could never forget the promises made by Lloyd George regarding Upper Silesia at the time of the occupation of Duisbrug, and how badly these promises had been kept. He still nourished rancour on this subject.

What were the circumstances to which he referred? I do not remember any definite pledge of Lloyd George regarding Upper Silesia which was not kept by England. We were undoubtedly weak at Geneva, and undoubtedly the decision was unfavourable to Germany. But there was no deliberate change of policy.

Berlin, *March* 7, 1925.—Eric Drummond, the Secretary-General of the League of Nations, was here on Monday. He met Schubert at luncheon, and paid a formal visit to Stresemann in the afternoon.

From the two conversations he formed two different impressions. Schubert was satisfactory, in the sense that he thought some arrangement could be made regarding

Article XVI[1] on the basis that the League recognised "ultra posse nemo obligatur."

STRESEMANN was, however, sharp and loud against the possibility of Germany agreeing to carry out even commercial boycott. He said it might easily lead Germany to war—how was Germany then to defend herself?

DRUMMOND was clear that it was not possible for the League of Nations to grant Germany a privileged position in the League, or to create two categories of members. He was, however, equally clear that the League did not expect any Power to perform the impossible, and I presume that suicide is outside the boundaries of possibility.

MY view remains that Germany's real reason for hesitation in entering the League is fear of alienating Russia. They will only risk forfeiting Russian support when they are sure of getting something equivalent on the Western frontier. It is foolish to expect them to enter upon a bargain where the dangers and disadvantages are immediate, while the positive gains are remote and nebulous. Make the latter substantial and the caravan moves on.

BERLIN, *March* 10, 1925.—The Chancellor was greatly surprised to-day when I told him that the view prevailing at Geneva and in western capitals was that Germany, having last year asked only for equality, now demanded a privileged position—something like a specially reduced subscription on entering a club.

HE said: "With regard to Article XVI, Germany requires no exceptional treatment—what we want follows as a necessary consequence of the circumstances." I rejoined: "In that case, the 'ultra posse' clause meets you."

REGARDING Poland, he said: "Poland gains more than anybody from an increase of European Security. Poland is the danger-point; war will centre there if war breaks out at all, therefore Poland is more interested than anybody else."

[1] FOR Art. XVI of Covenant of League of Nations see App. IX.

As to the Presidential Election, nobody could know anything.

Berlin, *March* 10, 1925.—A telegram from London announces the sudden death of George Curzon.[1] An hour after this was received, a letter from him was brought to me:

"My dear Edgar,—

"I am to have an operation to-morrow, as I suddenly began to bleed two days ago from the bladder, and they are to investigate and, I hope, remove the source of the mischief. I am not in the least afraid.

"Yours ever,
"Curzon."

A grave loss for English statesmanship; for me, a real grief. We were at Eton together in 1874. The friend of fifty years' standing, dead.

George was masterful to the end. He insisted upon having his own way about the dressings, and the surgeons who attended him were powerless. This precipitated, if it did not cause, the catastrophe.

Berlin, *March* 15, 1925.—It is worthy of note that after some weeks of hesitation, caused mainly by the cool reception given to the Pact proposal, the German Government are now again anxious to push on with the preparation of an instrument which will give them security. They are prepared to be precise in their engagements regarding the western frontier, but not regarding the eastern frontier. There they would renounce the use of war as a method of altering existing conditions, but would not declare themselves satisfied with those conditions. I doubt if the Ministry will go much further. I doubt also whether, if they did go further, the Ministry would obtain the Reichstag's consent. It is satisfactory to find that the Treaty of 1839, safeguarding the neutrality of Belgium, was quite simple in its phraseology. If, to-day, we accept without elaborate clauses and without contemplation of all possible but improbable contingencies what proved adequate ninety years ago, the drafting of a Pact of reciprocal guarantee should not be a difficult matter.

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[1] For personal appreciation see vol. i, pp. 48–52; also entries vol. ii, pp. 111 and 221.

BERLIN, *March* 15, 1925.—There has been solid progress during the last fortnight. In the first place, on what is perhaps now a subsidiary point, the German Government have finally made up their minds that they must come into the League of Nations. The reserves which they made, and which I communicated in my telegram to Geneva, appear to be adequately taken into account in the reply of the League, which is published in the German papers this morning. Provided Luther has the genuine desire to come into the League, he can agree to the conditions formulated.

I REGARD this question as nearly settled.[1]

> THE constant friction between Germany and Poland over the unsatisfactorily drawn German-Polish frontier, coupled with the fear that Germany was bound to fight for the territorial reunion of Western East Prussia, had led in British and other diplomatic circles to the careful consideration of some alternative solution of the Polish Corridor and Danzig Free City. The only solution which met with a measure of favour, but which was rejected as in any case premature at this date by the British Foreign Office, was the so-called "Memel" solution. This would have implied the abandonment by Poland of the seaboard of the Corridor and the retrocession to the Reich of Danzig. In return for these Polish concessions Poland would receive economic privileges on the railways leading from Poland to Danzig and perhaps a free zone in that port. In addition, Poland would obtain an alternative outlet

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[1] THIS view was erroneous. Germany only entered the League eighteen months later.

March 1925

of her own to the sea at Memel. This port, which under the Memel Convention was about to pass under the sovereignty of Lithuania, would be linked with Poland by a narrow strip of territory—another corridor. Since, however, this strip of territory would have to be taken from Lithuania, who would therefore be deprived of her only direct and convenient outlet to the sea, some concession in return would have to be made by Poland to Lithuania, possibly in the form of the retrocession of the Vilna territory in whole or in part. This Polish-Lithuanian agreement, however, considering more particularly the existing tension between Warsaw and Kovno, would probably be the most difficult part of the arrangement from the point of view of general acceptance.

It is curious to recall the little-known fact that during the Versailles Conference of 1919 the Italian diplomat, Signor de Martino, who strongly opposed the idea of the Danzig Corridor as calculated to lead sooner or later to a Polish-German conflict, then advocated the concession of Memel to Poland as her direct outlet to the Baltic.

March 18, 1925.—Philip Kerr, who is here and knows more about the Versailles Conference than anybody, tells me that the Danzig Corridor—which is the cause of so much trouble—was carried directly against Lloyd George by Clemenceau and Wilson. Both of the latter had a kind of romantic attachment for Poland. Clemenceau thought that every subject gained by Poland was a German the less and therefore an enemy the less for France.

Wilson had been influenced by the statue of Kosciusko, which stands outside the White House at Washington. Beneath it are the lines, " Freedom shrieked when Kosciusko fell." Now it is Kosciusko who is inclined to shriek irrespective of Freedom's rise or fall.

I asked Kerr what alternatives there were to the present arrangement. He said, " The only plan would be ultimately to have a plebiscite in the northern portion of the Corridor, i.e. in the country between Bromberg and the sea—the strip of West Prussian territory lying west of Danzig and inhabited by a population neither very German nor very Polish." He did not think it was now possible to give Poland an outlet to the sea at Memel, Lithuanian nationality having developed so strongly.

CHAP. VII

March 1925

In equity he considered that Poland was no more entitled to a port than Czecho-Slovakia. She ought to have been satisfied with free port facilities, similar to those accorded to Czecho-Slovakia at Hamburg and Stettin.

Kerr agrees with me that it should be possible for Germany to make Poland a sufficiently attractive offer to induce her to agree to some rectification of the frontier. National prejudice may, however, intervene, and the feelings Germans have about Poles are analogous to that of the Northern Irish for the Southern. The Germans detest Polish defects and have little appreciation of their unquestionable attractions and accomplishments; it is the contempt of the bass for the tenor—unfounded and incurable.

Berlin, *March* 19, 1925.—It is now two months since the German Draft Proposal was sent from Berlin to London.

The French Press continue to call it the "Stresemann-D'Abernon Memorandum." I am not sure that in the Wilhelmstrasse the wisest counsellor has not been Gaus, the legal adviser of the German Foreign Office. This mysterious individual I have never seen, but he is always quoted as a great legal luminary, and I surmise he must be a man not only of technical qualifications but of broad outlook.

As for my own share in the genesis of the Pact, I have steadily advocated something of the kind for the last three years. Since October I have frequently talked matters over with Schubert, more particularly after the set-back concerning the evacuation of Cologne. These conversations probably resulted in the German move of January 20, but whatever was done previous to that date was of minor importance compared with the obstacles overcome or avoided during the last six weeks. How "Das Kind" survived passes comprehension. A chilly suspicious

March 1925

public; a putative parent more than half inclined to repudiate the obligations of paternity; no frank support from any side—all this to surmount in the first few weeks of existence.

Berlin, *March* 19, 1925.—Augustus John has been staying at the Embassy for the last fortnight, and has begun several portraits.

The principal one is that of Stresemann. John is painting the portrait for his own pleasure, and will carry off the canvas to add to the Worthies of the Versailles Conference whom he painted some years ago. The portrait is a clever piece of work—not at all flattering; it makes Stresemann devilish sly, but extremely intelligent. The sitter is indeed most intelligent, but not sly.

Augustus John intends to have an exhibition here during the autumn, and has evidently taken a liking to Berlin.

He told me a good story last night of a quarrel with one of his principal supporters—an Irish-American named Quinn—who used to buy a great many of his canvases before the War.

In the early days of the War John wrote to him saying, " I have done a portrait of a soldier, if you care to see it." Quinn replied, " Khaki doesn't interest me, and I don't care much about Englishmen." To this John replied, " I like khaki, and I like Englishmen—but this particular portrait happens to be one of a damned Irishman like yourself." Upon this they quarrelled, and did not make it up till five years later.

John has a keen admiration for Ingres. When I said " Ingres has too hard a line," he replied, " A hard line is what is wanted in drawing if you can obtain it without being ugly or ridiculous. . . . The hard line is the perplexing ideal."

He also has a vast admiration for the semi-modern French school—Degas, Manet, Boudin. Of the English school he places Gainsborough first, and he expresses admiration for Beardsley, envying his wonderful fate: once a poor boy in a Brighton Grammar School—now a constant theme of discussion all over the world.

Reverting to Stresemann, I am convinced he will make a considerable figure when the history of this period comes to be written. Like so many of England's finest political intellects—Disraeli, Peel, Gladstone, Balfour, Lloyd George—he is more remarkable for the distrust he arouses than for the admiration and confidence he inspires. Nobody much likes him and no party trusts him, but he makes himself indispensable by his power in debate, his clear-cut views in council, and the correctness of his analysis.

The sittings to John have been a unique opportunity to discuss with Stresemann the Pact of Reciprocal Guarantee. When these sittings began he was still affected by the chilly reception of his first initiative, and was apparently on the verge of dropping the whole negotiation. In conversation during the sittings I did my utmost to encourage him to persist, and have, I believe, succeeded in instilling new life into " Das Kind." A symbolic group might be designed " Diplomacy assisted by Art."

Berlin, *March* 20, 1925.—If the German Government want the Reciprocal Pact they will have to take a wider view of the negotiations. They must realise the necessity of tranquillising Poland. In this connection I am pressing them to conduct their negotiations for a Commercial Treaty with Poland on genuinely broad lines. It would be wise to turn over in their minds what advantages they can offer Poland in order to obtain some modification of the Corridor. If, as they say, and as I believe, the Corridor is unbearable, they ought to be willing to give Poland good terms. But I fully recognise the probable impossibility of devising a solution acceptable to both Governments, and to public opinion in the two countries.

CHAP. VII — March 1925

There is nothing definite from Paris regarding the French Government's attitude towards the Pact of Reciprocal Guarantee, but Stresemann has the impression that Herriot, personally, is friendly to the idea; he is delaying matters with a view to reconciling French opinion to the reciprocal basis. Chamberlain has been in Paris lately on his way back from Geneva, and appears to have advanced matters in the course of conversations there.

Berlin, *March* 23, 1925.—The best notice of Curzon's career was that by T. P. O'Connor in the *Daily Telegraph*. On the whole, a friendly and understanding picture. But no one has adequately portrayed Curzon's great good humour, his immense sense of fun and his capacity for enjoyment. Nor have they laid sufficient stress on the peculiar quality of his friendship. I know no man who was more attached to his own circle, or who would do as much for those within it. It was perhaps devotion to a group rather than affection for any individual; indeed, in it he had no real confidant—seeking intimacy outside his own set.

Perhaps Crewe, though opposed to him in politics, was the man with whom he was most in sympathy. He appreciated Crewe's reticence and reserve—the complete absence in him of the facile, the florid and the exuberant—a character outwardly in direct contrast with his own.

CHAPTER VIII

MARCH—JUNE 1925

Chamberlain's enthusiasm regarding German proposal—Review of alternative policies before England—Ex-Chancellor Wirth discusses the situation—Brandenburg's History of pre-War negotiations—Briand's draft reply to German initiative—Germany's readiness to abolish chemical warfare—Mussolini's clear views.

CHAP. VIII

March 1925

EARLY in 1925, the departmental experts of the Foreign Office engaged in a protracted study of this question of French Security and, under Mr. Chamberlain's direction, a Memorandum formulating their conclusions was written by the Central European Department and circulated to the Cabinet. This Memorandum, which was dated February 20, urged the conclusion between Great Britain and France of a unilateral defensive pact. Apparently the German proposal of January for a Reciprocal Pact of Guarantee between Germany and the principal Allied Powers was to be discarded. The Foreign Secretary's views, however, failed to secure the approval of a considerable number of his colleagues in the Cabinet, including some of the most influential members.

WHAT occurred at the Cabinet cannot be known precisely, but rumour at the time attributed definite opposition to the proposal of the unilateral defensive pact to some of the ablest members of the Government, including Balfour, Birkenhead, Curzon and Churchill. Curzon also created some surprise by declaring his opposition to the proposal. The main argument adduced by opponents of the scheme was that the unilateral pact with France against Germany would throw that country into the arms of Russia. It was further desired to proceed with the negotiations for the conclusion of a wider Mutual Pact of Guarantee on the basis of the German effort of January. Chamberlain bowed to the majority.

Two days later, namely, on March 6, he stopped in Paris for twenty-four hours on his way to attend the session of the League Council. He then explained to Herriot the decision of the British Cabinet to reject both the Geneva protocol and the proposal for an Anglo-French alliance against Germany.

AT Geneva on March 9 Chamberlain, in an able speech, expounded the reasons which had determined the decision of the British Government to reject the Geneva Protocol.

CHAP. VIII

March 1925

But when the English Government had been won over to the idea of a bilateral pact, it was found that the German Government were inclined to recede from their original proposal, made six weeks earlier. They had found little encouragement abroad—none at home. The Nationalists were violently opposed to the concessions, which constituted an essential part of the suggested transaction, and, to set against their vehement opposition, there was nothing but lukewarm support from the Left. It seemed probable that 1925 would share the fate of 1922.

Berlin, *March* 23, 1925.—Chamberlain has now adopted, with enthusiasm, the German proposal, and declares it may be the dawn of a new era in European pacification. I am convinced that we can bring this policy through to a successful issue, provided we are firm, and allow no doubt to exist in the minds of other Powers as to our exclusive adherence to a Reciprocal Pact and our definite opposition to the Protocol and to a unilateral pact against Germany. Public opinion in France will eventually come round to see the benefit of this policy, provided there is no hesitation in our advocacy of it. If France could get some anti-German form of Security she would prefer it—let her realise clearly that such a scheme will have no chance of English support, she will rally to the Reciprocal Pact and gain security by it.

Of the rival merits of the two schemes there can be no question: one may be the dawn of a new day, the other the certain prolongation of a night of strife and bitterness.

Stresemann, who at first was discouraged by the cold reception of his proposals both abroad and at home, in view of Chamberlain's new support, will soon recover his equanimity, and will push the negotiation with full vigour. The doubt is whether public opinion here will follow.

Berlin, *March* 26, 1925.—Discussion now centres on the Polish frontier. There is an idea in London that the German proposals for security on the West are only made with a view to rendering the position more favourable for war in the East. There is no foundation for this suspicion, but it is essential that the German Government should go farther than it has done regarding good relations with Poland and security on the Polish frontier.

April 1925

BERLIN, *April* 2, 1925.—Public opinion in England is growing more favourable to the Pact of Mutual Security. Grey made a most excellent speech at the League of Nations meeting the other night, unreservedly accepting the policy of Reciprocal Guarantee. Ramsay MacDonald has also spoken wisely.

BOTH in Paris and Geneva the British Government has been firm. The German offer must be treated seriously, only on such a basis can England offer guarantees for French security.

CHAMBERLAIN'S assurances on this subject are received, even by those who dislike them, with complete confidence, both in their sincerity and their finality.

THE first condition of progress is that the French Government should show clearly a disposition to give friendly consideration to the German initiative, and that they are genuinely desirous of finding a basis for improved relationship between Germany and the Allies. Once their readiness to treat is realised opinion here will respond. At present it is sceptical and suspicious.

THERE is another point on which there may be acrimonious discussion. France and England will probably insist that Germany must enter the League of Nations before there can be any question of a Reciprocal Pact of Security. While I admit the desirability of Germany entering the League, I should not make it a pre-condition. If a satisfactory solution of the Pact is obtained, Germany cannot but gravitate to Geneva.

ON all sides I hear that Chamberlain is working energetically, both to obtain a friendly response from Paris to the German overture, and a friendly reception in Berlin to

May 1925

the French reply. In Paris, he can do more than anyone. In Berlin, I may be able to render assistance.

Berlin, *May* 2, 1925.—There is one certain advantage in the German Pact proposal of January 20—it brings matters to a clear issue. We have to decide between two policies: either we adopt the French idea guaranteeing the French frontier alone, and treating Germany as a permanent enemy, or we accept the alternative policy and bring Germany into the Western combination, guaranteeing her frontiers equally with those of France.

I have long since made up my mind, and my conclusion is strengthened by the arguments used in London in favour of the former.

A remarkable document has been recently published in London purporting to be the official view of the position. This document, which is drawn up with extreme literary skill, adduces what are considered valid arguments in favour of the policy. To me, these arguments, however ingenious, appear conclusive against the course they are designed to support.

The contention is as follows:

1. It is doubtful whether even in 1914 Germany would have risked the Great War had she known for certain that the British Empire would have come to France's assistance. If she is now assured that by invading France she will inevitably incur the hostility of the British Empire, it is most unlikely that she will make any such endeavour.

2. France will know that her ultimate security is regarded as of direct interest to the British Empire. The provocative policy inspired by her present uncertainty will tend to diminish; she will contemplate with less alarm the impending evacuation of the Rhineland; she will be less inclined to constitute the Little Entente as an armed camp to the east of Germany; she will be able to settle down to financial stabilisation and to a policy of debt repayment.

May 1925

3. The smaller countries in Europe will learn that they must make peace with their neighbours, and that it is not sound policy to wait in uneasy expectancy for a second European conflagration.

4. A nucleus of certainty, of stability and of security will thereby be created. Such a nucleus can gradually be enlarged in expanding circles. There is nothing to prevent the eventual inclusion of Germany within the guarantees of security thus established.

5. Although in the present mood of Europe it would be useless even to mention the revision of the peace treaties, yet if the concert of Europe can thus gradually be recreated, saner councils will prevail. It is conceivable, especially if Germany, with French goodwill, becomes a member of the League of Nations and obtains a permanent seat on the Council, that it may become possible eventually to revise by European agreement the dangerous conditions involved in the Silesian settlement and the Polish Corridor. So far the Memorandum.

Against these arguments I contend that on the lines suggested in the Memorandum no pacification is possible. Germany would be permanently antagonised and driven unwillingly into co-operation with Russia.

Military power, being now entirely on the side of France with her satellites, the danger of military bullying by the stronger combination is far greater than the danger of any aggression by Germany.

The theory that France, when guaranteed English support, and strong in her chain of Central European Allies, will be more friendly to England than to-day is erroneous. The main strength of the movement in France for maintaining a close alliance with England proceeds from apprehension of the strength of Germany. Remove this apprehension and we risk losing an ally.

The idea that an anti-German league can gradually be enlarged to include Germany is frankly absurd. Still more absurd is it to suppose that a combination led by France, and sure of military predominance, will revise the peace treaties in such a way as to make them more lenient. This is contrary to reasonable expectation.

The conception that our authority with France, once we are bound to her by a *Unilateral* Pact, would be stronger than to-day—when we are masters of our own soul—is profoundly untrue. Once we are tied by such an obligation, we become satellitic—deprived of independence and authority.

The Memorandum, as published, leaves out certain vital points, e.g.—

(1) Guarantee of Security to both France and Germany.

(2) Measures necessary to obliterate war mentality and to bring about pacification.

Berlin, *May* 3, 1925.—On my return here I find the German Government loyal to the proposal of a Pact of Mutual Security: loyal but not enthusiastic. There appears to be a majority in favour of it, but this majority is silent, while opponents are extremely vocal. Stresemann is the object of violent abuse from the extreme Nationalists, and is certainly apprehensive about the coming debates.

The Security Pact is, indeed, not a strong indigenous plant, which will survive rough treatment. It is rather an exotic—of great value and beauty, which has to be nursed with skill and care, possessing no assured tenure of life.

Regarding the League of Nations, I have made it quite clear that Germany's entry into the League is a *sine qua non* of the Pact. This I have done on specific instructions rather unwillingly. The Russians continue to make the most desperate efforts to prevent Germany joining the League.

Herr Friedrich Ebert, First President of the Reich, died on February 28, 1925, following an operation for appendicitis. The election for a successor was fixed for March 29, the method

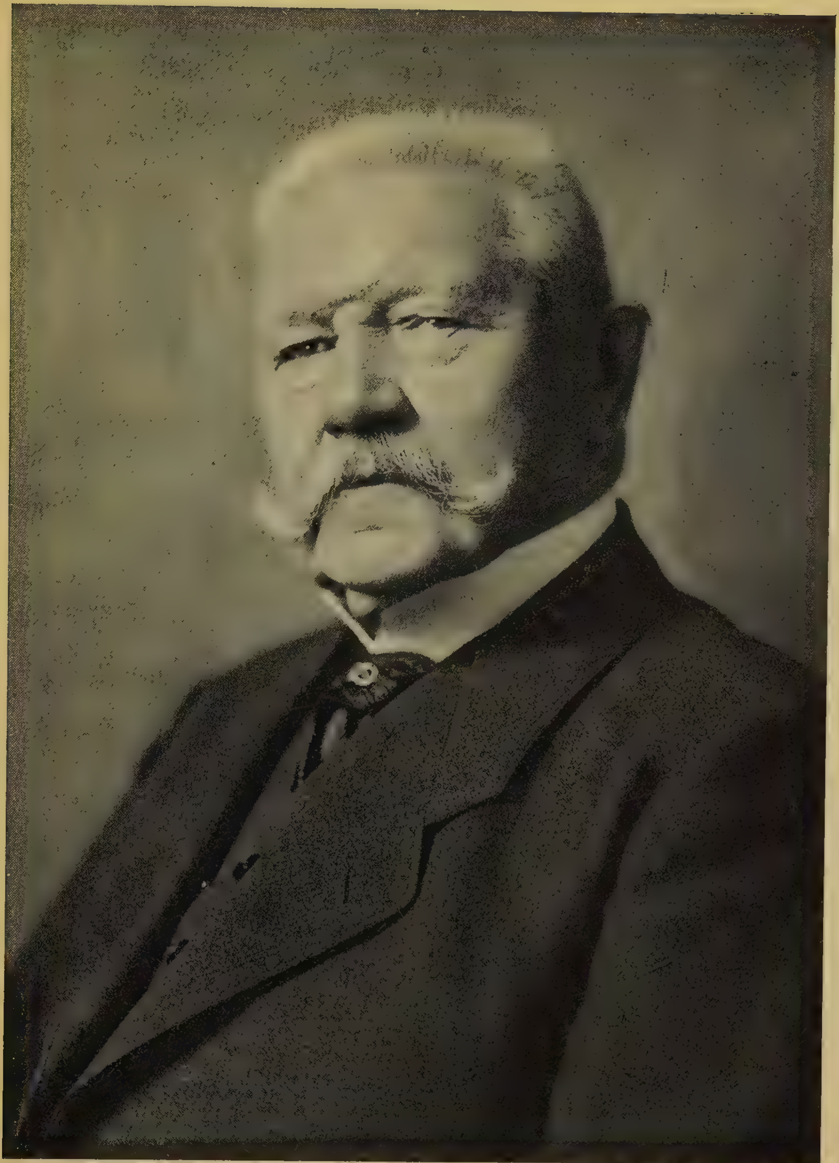

Photo Transocean, Berlin

GENERAL VON HINDENBURG
President of the German Republic

May 1925

of election being that all electors for the Reichstag are entitled to vote by secret ballots, and that an absolute majority is decisive. Should no such majority be obtained at the first ballot, a second ballot is held a month later. At this second ballot, a relative majority is sufficient for a decision. There were no fewer than sixty-seven candidates to Presidential honours. Dr. Marx, ex-Chancellor and leader of the Catholic Centre, was put forward in the first instance as a joint candidate by the Republican parties. The Social Democrats, however, demurred, and designated Dr. Braun, the Prussian Minister-President. Similarly, parties of the Right endeavoured to put forward an agreed Bourgeois candidate in the person of Dr. Simons, the President of the Leipzig Supreme Court, and, later, of the Reichswehr Minister, Dr. Gessler. Dr. Marx and Dr. Stresemann, however, opposed the latter nomination on account of foreign, especially French, opinion. Thereupon, the Nationalists and People's Party fell back on Dr. Jarres. Further dissensions broke out among the parties, with the result that, in the end, each party selected its own candidate. These included: for the extreme Right, General von Ludendorff; for the Bavarian People's Party, Dr. Held; for the Centre, Dr. Marx; for the Democrats, Dr. Helfferich; for the Communists, Herr Thaelmann.

At the first ballot, Dr. Jarres obtained 11 million votes and Dr. Braun 8 million votes, Ludendorff being at the bottom with 210,000 votes only. As the outcome of the first ballot, the Social Democrats agreed to support Marx if the other Republican Parties would support Braun as Prime Minister of Prussia. As against Marx, the Nationalists, the People's Party, the Bavarian People's Party and other minor groups put forward the candidature of Field-Marshal von Hindenburg.

Von Hindenburg triumphed at the second ballot with 14,639,000 votes as against 13,752,000 for Marx.

Berlin, *May* 4, 1925.—A conversation with ex-Chancellor Wirth to-day.

He was obviously depressed at the defeat of his colleague, Marx, for the Chancellorship, and apprehensive of the reaction Hindenburg's election might have on foreign policy during the immediate future. As far as he was able to foresee, Briand, for whose ability he has the highest regard, would be in no hurry to promote discussion of the

CHAP. VIII — May 1925

Pact of Mutual Security. In all probability the promised Note on disarmament would be transmitted here, and this problem would have to be dealt with first. The three important questions—the evacuation of Cologne, entry into the League, and the Security Pact—presented formidable difficulties, and although he agreed that the best solution would be simultaneous settlement of these three questions, he was of opinion that the task was one of extraordinary magnitude. Without energetic leadership on the part of England he failed to see any prospect of a comprehensive settlement.

As regards the disarmament question he foresaw that Stresemann's position would be anything but enviable when the Allied demands were presented. He had had ample experience with the French in 1922 in the course of his numerous interviews with General Nollet, who, whatever his reputation might be abroad, was a very bitter adversary during the discussion of military questions in Germany.

The problem of the "Sicherheitspolizei" presented the greatest difficulty. In the course of his conversation with Nollet the latter remained deaf to every argument for the retention of police in barracks, or the existence of any organised formation which might be utilised as a military force. Nollet refused to admit the necessity of a police force to suppress Communism, and held that the Reichswehr were always available in the case of Communist disturbances. Wirth insisted that his experience during the Communist troubles in 1920 convinced him that the police were indispensable, and that the use of soldiers to suppress civilian disorder was quite out of the question.

The German Nationals were not elated by Hindenburg's election. They realised the difficulties of their position both in regard to the question of disarmament and the evacuation of Cologne. On the other hand, they were anxious to see the pact negotiations die of inanition. He

May 1925

did not think that Tirpitz would be able to influence the President, nor indeed that anybody would be likely to influence him, as he was aloof from the political problems of the day.

With regard to entry into the League of Nations, Wirth was manifestly opposed to entry before the Security Pact was reached. The reasons he gave were not very convincing, and I could not help thinking that his recent visits to Russia had exercised some influence on his judgment. He was of opinion that things were progressive in Russia, though progress was slow owing to lack of foreign capital. It is clear that the entry of Germany into the League of Nations will have a decisive influence on relations between Moscow and Berlin.

Berlin, *May* 4, 1925.—While the majority are tepidly in favour of the Pact of Mutual Security, it suffers from the fact that its supporters are mute. A friendly attitude on the part of the Allies is therefore of dominant importance, not only because they have to agree to the Pact, but because it will not survive in Germany, unless it receives encouragement. I find it difficult to get this idea accepted in Western Europe. There the view persists that the whole scheme is a crafty device of some Teuton Machiavelli.

The Russians continue to make desperate efforts to prevent Germany from joining the League. They have persuaded Brockdorff-Rantzau—the German Ambassador at Moscow—to come specially to Berlin in order to urge their views on the question.

Berlin, *May* 8, 1925.—*Brandenburg on the History of Pre-war German Diplomacy* is a masterly work.[1] When he first began the study of the documents he was inclined to

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[1] This book, entitled *Von Bismarck zum Weltkriege*, is published in English by the Clarendon Press under the title *From Bismarck to the World War.*

May 1925

regard England as the villain of the piece, but a closer examination of the facts has brought him round to an entirely different conclusion. The book deserves close study.

Berlin, *May* 8, 1925.—The question arises: What effect will the election of Hindenburg as President have upon foreign affairs? Is it the case that the policy of pacification which has been followed by the Luther-Stresemann Government will be abandoned? This was the first expectation of pessimists, but it has passed away rapidly, and the best judges now believe that the German offer of a Pact of Peace, which was made to France on February 9, will be maintained. If it is maintained, the presence of Hindenburg as head of the Government will give additional weight to the engagement.

Not only Wilhelmstrasse officials but German politicians are loud in their complaint that the initiative of February 9 has not met with adequate response from France. England, after a period of hesitation, has responded cordially to the German initiative. Chamberlain's speech of March 5 leaves nothing to be desired.

Personally, I regard the French hesitation as due mainly to party tactics, but delay is dangerous. The attitude of the German Nationals towards the Security Pact is momentarily more favourable than is their normal attitude. They are certain to revert.

Berlin, *May* 25, 1925.—Briand has given a further elucidation regarding his draft reply, and my impression of this is not less favourable than was my opinion of the original draft.

I am becoming hopeful about these negotiations, provided they are brought to an issue in the course of the next two or three months. Delay may be fatal. To possess maximum validity the Pact should be approved by a

May 1925

Ministry containing Nationalist Ministers. Further, it should be countersigned by Hindenburg, whose word is binding on all sections. This can be achieved now—many good judges think it may not be attainable later; the Nationals are not always wise.

> AT the military Sub-Commission of the Conference on Traffic-in-Arms held at Geneva, the German delegate, on May 26, 1925, made the following declaration :
>
> " GERMANY is ready to endorse, without any reserve whatsover, any international agreement aiming at the abolition of chemical warfare. In making this declaration I feel I am giving a satisfactory answer regarding a solemn obligation on the part of Germany not to have recourse to chemical warfare."
>
> ON May 27, the Minister of the Reichswehr, Dr. Gessler, made the following declaration in the Reichstag :
>
> " GERMANY has proposed at Geneva that the use of poisoned gas, this peculiarly inhuman and unchivalrous method of waging war, should be abolished. At the same time, so long as that is not the case, we must prepare all the necessary means of defence available."

BERLIN, *June* 1, 1925.—It was stated before the Reichstag that Germany is prepared, without any reserve whatsoever, to endorse an international agreement to abolish chemical warfare. I am convinced that it is expedient to take every possible advantage of the declarations made both by the German delegate at Geneva and by Dr. Gessler before the Reichstag.

THIS spontaneous offer of Germany is an opportunity which should not be lost to abolish for ever this method of warfare. In my view, enough has not been made of the German declaration. The opening should not be missed.

BERLIN, *June* 2, 1925.—Germany would, I believe, join the League of Nations at once were it not for fear of breaking with Russia. Brockdorff-Rantzau, the German

June 1925

Ambassador at Moscow, is too much with us and too influential.

Regarding the Pact, the Italian Ambassador, Bosdari, who has considerable influence, remains pessimistic; he regards the entire scheme as idealistic.

In his judgment the whole conception of a Mutual Security Pact is pure nonsense.

Berlin, *June* 3, 1925.—The development of the negotiations regarding Security follows a course which, if not rapid, is essentially satisfactory. Not much to complain of in Briand's original draft reply to the German Note of February 9, except that it comes somewhat late, and that it will not be communicated to the German Government until after the Note on Disarmament. This may upset opinion here and so spoil the chance of a good reception of the Pact.

In large sections of German opinion, the desire for a Security Pact is not sufficiently sturdy to stand rough treatment. For this reason I should have preferred sending the Security Note either at the same time as the Disarmament Note or previous to it. It would have been wise to sweeten the bitterness of the Disarmament demands by an admixture of Security.

While as a whole the German Ministry remains favourable to the Pact of Mutual Security, the National Members are afraid of being abandoned by their followers, while the Socialists grudge a Government of the Right the credit of carrying through Security, which Socialists have always advocated, and which the Right has always opposed.

The reserve made by the English Government that our guarantee should only cover the western frontiers of Germany, and not the eastern, is evidently wise and sound. I am just doubtful whether, instead of formulating this reserve, it would not have been better to let Briand send his Note, and to let our reserves come somewhat later.

There was no danger in our being compromised, and there would have been a decided advantage in getting the Security negotiations well under way.

With the development of aerial warfare I doubt whether the demilitarisation precaution has much validity, and it leaves the essential point of who is the aggressor undetermined. The last war appears to show that an essential precaution against aggression is to devise machinery which shall clearly reveal the aggressor.

Berlin, *June* 11, 1925.—A long confidential talk with Stresemann last night. He is now more or less reassured about the "Durchmarsch," and realises that the Havas telegram [1] put the matter in an entirely false light.

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[1] On June 8, 1925, the Havas Agency circulated a message from Geneva which gave to the Agreement, said to have been made by Mr. Austen Chamberlain and M. Briand, a purely unilateral character. The message read:

"The Agreement now complete between the Governments of France, Great Britain and Belgium stipulates the formal resolve of Great Britain to guarantee the frontier of the Rhine as it is left by the Treaty of Versailles. It may be said that Great Britain makes her own the frontiers of France and Belgium adjoining Germany, and that she considers any violation by Germany of the territorial and military clauses relating to the Rhine frontier a *casus belli*. . . . Finally, it is formally stipulated in the Franco-British Agreement that, should the eastern Allies of France be the object of manifest aggression, France shall be authorised to make use of the demilitarised Rhine zone as a field of operations in order to come to the aid of her attacked Allies."

The effect of this publication throughout Europe was startling. In Germany there was an outcry from the Press, the suggested right of France to cross the demilitarised Rhineland in order to help her eastern Allies being deemed wholly unacceptable. Dr. Stresemann at once asked Lord D'Abernon whether the Havas statement represented the views of the British Government. In Belgium, on the other hand, the Havas telegram was received with unmitigated enthusiasm, Belgian newspapers regarding it as proof of a return by Great Britain to the previously rejected proposals for unilateral Anglo-Belgian and Anglo-French defensive agreements. In Italy, great perturbation and discontent were created, inasmuch as the Havas telegram completely ignored the participation of Italy. Signor

CHAP. VIII — June 1925

He intends to publish the original German proposal of February 9 about Security in a few days. Public opinion has advanced. The German proposal, if published in February, would have created violent hostility. Stresemann is convinced that he would have been shot by some excited partisan of the Right. Now he faces publication with calm.

The fact that the text of the document was kept secret for two months speaks well for the possibility of secret diplomacy. If, as reported, Herriot kept the whole matter to himself for several days without mentioning it to anyone, he deserves a crown for unexampled discretion.

About the probable development of negotiations, Stresemann said: " My own view is that all these questions will practically have to be settled together, and can only be settled in Conference. Germany cannot join the League of Nations until Cologne has been evacuated. Unless Germany joins the League I quite realise that there is no Security Pact. Then again, the execution of the Disarmament demands will be greatly facilitated if the Security negotiation is proceeding smoothly.

" Further, the whole question of Germany's external

Mussolini indeed remarked that he was completely bewildered, considering that the terms of the Agreement—as recorded by the French News Agencies —were utterly out of consonance with the views of the French Government.

Anxiety had also been aroused in London by the French semi-official communication. So much so that, on July 10, a private notice question to the Prime Minister was handed in, to which Mr. Baldwin replied to the effect that the strictly bilateral character of the settlement was adhered to as regards Great Britain.

Rome was most emphatic that if the agreement was one which would place the Allies once more in a position of antagonism to Germany, Italy could have nothing to do with it. Italian participation would only be forthcoming in support of a Pact of mutual conciliation between Germany and her late enemies.

The attitude of Mussolini on this occasion was the more remarkable in that the Pact idea received no support from the Italian Embassy in Berlin : Count Bosdari was openly sceptical about the whole conception.

relations has to be settled. We cannot forego the Russian connection, such as it is, without having something positive on the other side. I have already to face very violent Russian opposition. I do not know which they are most opposed to—the Security Pact or entry into the League of Nations—but I have a stiff fight in front of me on both these issues."

Stresemann then hinted that Germany might, in the Security Pact discussion, raise the issues of a reduction of the period of the Rhineland occupation and the grant to Germany of a Colonial Mandate. I at once said that in my opinion it would be extremely unwise to mention either subject. Success was out of the question, and raising them would make a bad impression. It was obvious that from the Security Pact Germany, who was unarmed, had in the immediate future more to gain than France, who was militarily dominant. German public opinion must realise this.

Stresemann replied: "Well, perhaps they will slowly, but I shall have considerable difficulty with the President about entry into the League of Nations. I have to show positive advantage for it. Hindenburg is not opposed to the League of Nations, but, like most military men, he is sceptical as to the efficacy of any alternative to war. I do not meet with deliberate opposition from him, but he is unversed in political affairs."

Stresemann then said: "I notice you had a long talk with Chancellor Luther last night—what was said ?"

This great minister is not free from jealous susceptibility concerning foreign affairs, and resents any discussion of them with the Chancellor. I replied: "I told him more or less what I am telling you, and expressed an optimistic view regarding the Security Pact. The Chancellor was less convinced of success than I was, and appeared to be alarmed by the Havas telegram about an eventual right to march through Germany."

In conclusion Stresemann told me that he had received overtures from Beneš regarding a possible meeting at some mountain resort or watering-place. The Czecho-Slovakian Minister had been to him two or three times on this subject. So far he had not given any definite answer, but was inclined to think that nothing but advantage could result from a discussion with anyone as intelligent and well-informed as the Czecho-Slovakian Foreign Minister.

Berlin, *June* 21, 1925.—The Italian Government maintains its favourable view, and considers a Five Power Pact of Security on a reciprocal basis the surest means of promoting the general pacification of Europe. While others negotiate and make reserves, the clear views and strong opinions of Mussolini have a decisive importance in advancing the cause of peace.

Berlin, *June* 22, 1925.—London is conducting the negotiations for the Pact of Mutual Security with admirable vigour. Chamberlain has done his utmost to bring the German Government to recognise the favourable features in the French reply, urging them to avoid petty discussion of detail and accept without cavil the broad general principles. It is of course true that the original initiative proceeded from the Germans, but encouragement to persist and push matters through to a satisfactory solution is none the less required.

June 22, 1925.—A feature which delights me in the whole negotiation is the paradox that he who was thought to be a very reluctant convert to the Reciprocal Pact is more persuasive and able to achieve more than any first-hour enthusiast. Paris feels that if Chamberlain adheres, no other course is open; Paris must therefore follow suit.

Berlin, *June* 24, 1925.—The main difficulty over the German initiative proceeds from mutual suspicion. When the proposed Pact was communicated to London and Paris, there was a strong idea in both places that it was a German trap. Now that Briand has replied in what I consider friendly terms, the German Government suspects that he is plotting to wreck the Pact, and will do so, provided he can throw the odium of failure upon them. The Germans say secret information confirms this view.

I TELL them that secret information is generally wrong, and that this secret information is no exception. Briand's good faith and willingness to proceed with the negotiations are apparent on the face of the documents. Why harbour suspicion ?

CHAPTER IX

JUNE—AUGUST 1925

Chamberlain on Mutual Security—Danger of Continental *bloc*—Setback in peace negotiations—Briand's Note well received—U.S. and British Bank officials visit Dr. Schacht—The German reply to the French Note—Proposed Conference of Jurists—Possible extension of Pact of Mutual Security to English Channel.

London, *June* 25, 1925.—An interesting interview the other day. Chamberlain was insistent that the German reply to the French Note of June 15[1] should be favourable and conciliatory. The best formula would be not to ask what was meant, but to say:

"We agree to your interpretation that '. . . . .'" followed by a sensible view.

He also said that the German Government might well be advised to reply, "We are so far agreed with your basis that we consider plenipotentiaries should be appointed as soon as possible."

He is definite that the Pact must be mutual and reciprocal.

Regarding the place where the proposed Conference might be held, he would prefer London, but would accept Ostend. Paris he would not agree to. He was far from insensible to the historical importance of the Pact being called the "Pact of London," nor did he despise the pride of paternity. Owing in part to me, England had assumed the predominant rôle in the negotiation, and it would therefore be appropriate that the Conference to conclude the Pact should be held in London.

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[1] On June 15 the French Government addressed to the German Government a Memorandum which had been drawn up in full agreement with the British Government. This document, after welcoming the German initiative of February 9, laid down certain principles regarding which agreement appeared necessary before negotiations could be undertaken. These conditions were: (1) that Germany should enter the League of Nations on conditions laid down by the Council; (2) that the Pact to be concluded should entail no modification of the Peace Treaties or other conditions regarding the occupation of the Rhineland; (3) that the Arbitration Treaties contemplated should apply with binding effect to all forms of dispute, the participating Powers in the Rhineland Pact having option to extend their individual guarantee to the observance of the Arbitration Treaties between Germany and her Eastern neighbours.

I WAS to return to Berlin as quickly as possible, as it was most important the German Government should not make any mistake in the present crisis, and I had a very special influence with them. I therefore settled to return on Friday morning.

BERLIN, *June* 28, 1925.—Another apparent setback in negotiations, this time from German causes. The Government here are frightened by the opposition of the Right, who dislike the whole Pact policy, and threaten to withhold their support, unless they get their price, which means a high duty on agrarian products. In addition to the above elements of opposition, Russian propaganda against the Pact has produced a certain effect, and many politicians are asking whether it is wise for Germany to adopt a policy so contrary to Russian desires.

STRESEMANN says that public opinion here appears to be divided between those who think that he was wrong to start the Pact negotiations and those who think he was right to start but that he has conducted them ill. However, he himself remains firm and is determined to push forward.

BERLIN, *June* 30, 1925.—I have been discussing the terms of the French reply with officials of the Wilhelmstrasse. My personal conclusion is that German objections to it are rather juristic than substantial—rather theoretical than practical. When we get to the draft stage, I doubt if any serious difficulty will be experienced. German objections to any proposed text usually look more serious than they are in fact. Get to close quarters with them and they disappear.

Berlin, *June* 30, 1925.—Briand's reply has not met with a good reception here. The German verdict upon it is more unfavourable than its contents justify. It is called the "Lorelei Note," and they say, "Ich weiss nicht was soll es bedeuten dass ich so skeptisch bin." This is perverted criticism. It is questionable whether it will be possible to get the German Government to return an answer of broad acceptance. German criticism centres round the position of France as guarantor of the future German-Polish Arbitration Treaty. My opinion is that a good deal of the German hostility to Briand's reply is a screen to hide the internal political difficulties of the Government.

Berlin, *July* 10, 1925.—Evidence accumulates that the German Government are becoming afraid of the initiative they took last January and February, and are being driven to minimise the purpose and scope of their proposals. They now say that they contemplated a short and simple agreement, and not a complicated legal document. London takes the view that the French Note is an honest attempt to carry a step further a proposal which was of German origin, and which the Allies assumed was intended to secure the preservation of peace. London considers the French response a great act of conciliation, and is convinced that if the Germans hold back now, the world will draw the natural inference. This inference will be that Germany does not mean Peace, and the policy of the Allies will have to be altered in consequence.

The above view is strongly held in London. I do not myself agree that there has been a fundamental change on the part of the German Government.

I am constantly having to explain the attitude of Germany and assert her seriousness and goodwill. Paris and

London are distrustful and too ready to criticise. I have no extravagant belief in anyone, but incline to the maxim that you make many people better by treating them with consideration and confidence. The German is partly what you make him. A has an instinctive tendency to behave towards B as B expects him to behave.

Berlin, *July* 11, 1925.—There is a certain divergence of opinion between Luther and Stresemann. The former holds that the German reply to the French Note must be endorsed by all parties of the Reichstag. Stresemann holds that to satisfy all parties the reply will have to be a poor flabby thing of no benefit or utility. He would prefer a strong, clear document. Stresemann further holds that the success of the German Government in the debate on the Pact depends less upon the precise terms of the German reply than upon a frank declaration by France and Belgium that Düsseldorf, Duisburg and Ruhrort will be evacuated simultaneously with the Ruhr, i.e. before August 16. If Stresemann could make this declaration during the debate he is confident of a great success.

I incline to the Stresemann view. Throughout all the negotiations since 1920, sufficient account has not been taken by the Allied Governments of giving the German Ministry a good case to put before the Reichstag.

Berlin, *July* 14, 1925.—The struggle between Stresemann and his opponents is becoming more acute. He is supported by Luther—some people say not very cordially, but I see no reason to doubt absolute loyalty. Stresemann is supported mildly by German National Ministers, but he is vehemently attacked by the extreme members of that party.

One must admire Stresemann's courage and skill in fighting for the Pact. He is confident of success, and believes that he has the whole-hearted support of his own

CHAP. IX
July 1925

Volkspartei. The best card Stresemann has is the Ruhr being effectively evacuated before the due date. If the three towns are also evacuated, the Ministers will be able to claim definite results of vast importance to Germany as being the result of their policy.

If the present Ministry remain in office, the Pact policy will be pursued with vigour, but the German Nationals are said to have a new Cabinet ready, with Gessler as Chancellor, Neurath (the present Ambassador in Rome) as Foreign Minister, and Hassel (at present Consul-General at Barcelona) as Secretary of State. The latter is a nephew of Tirpitz, not the best port of origin for wisdom.

Meantime, the financial outlook is not brilliant. Credit will be very scarce until the Pact is concluded. The dearth of capital in Germany is phenomenal—even the largest firms are short. Balance sheets recently published have been disappointing.

Berlin, *July* 16, 1925.—Norman, the Governor of the Bank of England, and Benjamin Strong, the head of the United States Federal Reserve Bank, are both here on a visit to Dr. Schacht, the President of the Reichsbank.

Norman tells me that the purpose of the visit is partly to establish a basis of future co-operation, but still more to give Schacht a lift and increase his prestige.

The latter meets with great difficulty from his colleagues on the directorate of the Reichsbank and from the Berlin private bankers.

Norman foresees grave financial difficulties for Germany, unless the political atmosphere clears rapidly. He says there is no time to be lost—the crisis will be on us in two or three months.

He added that he knew it would be difficult to get Chamberlain to realise the financial danger.

Norman himself looks like an apostle with a Bohemian tinge. He has an unusually mobile mind and a wide philosophic outlook. A big factor in European reconstruction.

STRONG impresses me as worthy of his name. Very solid, very convinced both of America's wealth and of her righteousness, but a good fellow. He is travelling with his daughter, Mrs. Humphries, the most delicate of porcelain shepherdesses.

BERLIN, *July* 20, 1925.—It is worthy of note that so far no one has brought forward the idea of guaranteeing the inviolability of the English Channel. Under the proposed Pact, England guarantees the security of both France and Germany against aggression, but obtains no increase of security herself.

Is it impossible to devise a clause which would work in this direction? I remain convinced that the best protection to both France and Germany is the "iron curtain" idea, i.e. a neutralised zone, the crossing of which would constitute aggression. Could not the Channel be considered an "iron curtain"?

THE following words might be added to the proposed Treaty of Security:

"THE above Powers further guarantee the inviolability of the English Channel, and of the seas which separate England from the low countries."

THERE are, of course, objections to the proposal. The first—a psychological one—is that we lose the moral advantage of our present position of guarantor, and put ourselves on the same plane as France, Belgium and Germany. While this may sound high-flown and even arrogant, it is not a consideration to be overlooked. To justify its sacrifice a material guarantee of real value would be required. Then again, if we place ourselves on the same plane as France, Belgium and Germany, we have to accept similar obligations, and would have to enter into universal and compulsory arbitrations with

July 1925

them. While I see difficulty in the negotiation, I am not convinced that the idea ought to be discarded.

Berlin, *July* 22, 1925.—On the question whether to insert stipulations in the new Security Pact guaranteeing the inviolability of the English Channel, and the air above it, one must bear in mind that the present relations between England and the Continent are to-day more favourable than one can count on their being permanently. Owing to the moderate and sensible attitude of England towards Germany, and owing still more to the Poincaré hostility against Germany, we enjoy to-day a position here which we shall not permanently maintain.

Up to recent times Great Britain was in no need of any international guarantee of security, but the situation has unquestionably been modified by the development of aviation. Hitherto, if the sea was inviolate Great Britain was safe. Now we require protection against air attack. In a large measure we have lost the benefit of our insular position, and have become no more immune from violence than a continental Power. It would thus seem that the iron curtain conception which it is proposed to establish on the Rhine might, if applied to the Channel, represent a considerable increase of security.

The following words might be added to the proposed Treaty of Security: " The above Powers further guarantee the inviolability of the seas which separate Great Britain from the continent of Europe, and of the air above them." The proposal merits examination by competent authorities, if such can be found, who would bring to the task a frank appreciation of new facts, and have a clear apprehension of the changes wrought by recent inventions and developments.

Berlin, *July* 24, 1925.—I have been thinking over the possibility of extending the Pact of Peace idea to England.

July 1925

We ought to look facts fully in the face, and not shirk the consideration of disagreeable possibilities.

THE forces behind the continental *bloc* idea are very considerable. As I have often stated, the general trend of Jewish opinion on the Continent and in Germany in particular is hostile to the British Empire, and the Jewish Press is a considerable factor in the formation of public opinion.

IT may also be said broadly that literary and scientific circles in Germany are rather anti-English, and artistic circles are definitely pro-French. The only body of opinion upon whose sympathy we can count is the sporting fraternity, but they are not in touch with the intelligentsia, nor do they command Press influence which renders touch with the intelligentsia superfluous.

IT would therefore be expedient not to neglect the creation of some potential barrier against an anti-English combination. This might conceivably be inserted in the documents now under discussion. To-day it may appear unnecessary if not derogatory. In a future crisis it may prove a help in time of trouble.

BERLIN, *July* 29, 1925.—News from London points to the fact that they are disappointed by the German reply.[1]

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[1] IN reply to the French Note of June 15, the German Government replied on July 20, expressing the presumption that the proposed Pact would not exclude the possibility of eventually adapting existing treaties to changed circumstances, and that it would react favourably on the conditions in occupied zones and the ultimate solution of the Occupation problem itself. The German Government proposed as a basis for the Arbitration Treaties the model of those previously concluded between Germany and certain neutral Powers. They asked that, in no case, should coercion be applied without previous recourse to some solution or arbitration procedure. They demurred to the proposal that the Arbitration Treaties should be guaranteed by the unilateral decision of any individual Power. Finally, the German Government stated that, while prepared in principle to support Germany's entry into the League, their objections previously formulated in regard to Article XVI should be met by the Allied Powers.

CHAP. IX

July 1925

Chamberlain had hoped that the terms of this document would be such that he would be able to press the French Government to open verbal discussions at once. This is now impossible. The German answer is so much of a challenge as to render indispensable a written reply. The sooner we stop notes and get to interviews, the better it will be for the chances of the Pact.

Chamberlain has started the idea of a Conference of Jurists.[1] I do not think the German Government much like it, but they may have to make the best of it. It so happens that the jurists of to-day, alike in England, France and Germany, are about the most reasonable individuals in each camp.

My own view of the German reply is much less unfavourable than that formed in London. Indeed, I see no reason why verbal negotiations should not ensue directly upon it.

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[1] At the end of July the French Government had transmitted to London a redraft of the proposed Pact of Mutual Guarantees based on the original text elaborated by Sir Cecil Hurst and M. Fromageot. The British Government thereupon sounded Berlin as to its readiness to allow the legal adviser of the Wilhelmstrasse to attend a special Meeting of Jurists, at which the above redraft might be discussed between him and his British, French and Belgian colleagues.

When, early in August, M. Briand and the other Allied Foreign Ministers visited London for two days to discuss the forthcoming Allied-German negotiations, M. Briand expressed his approval of the British idea that a German jurist should collaborate with the Allied jurists in framing a text which should form the basis of the negotiations between the Foreign Ministers. Towards the end of August, therefore, Berlin was formally invited by the French, British and Belgian Governments to appoint a German legal adviser to meet and discuss with their own legal advisers the technical and legal aspects of the Draft Treaty. Italy had been left out of the conversations on the subject, but intervened at this stage with the demand that she should be represented at the Jurists' Conference. This point was naturally conceded and, on September 1, Sir Cecil Hurst, M. Fromageot, M. Rolin, Signor Pilotti and Dr. Gaus—the German delegate—met in London. The meeting, despite the aridity of the subject and the numerous variants proposed by Dr. Gaus, was singularly harmonious and useful. Dr. Gaus succeeded in obtaining quite a number of modifications in the original Anglo-French text.

July 1925

THE criticism which may be made is that the Germans continue to quibble about their entrance into the League. Chamberlain from the first has held this to be a *sine qua non*, and I am instructed to be quite categorical on the subject.

OUTSIDE the question of the League of Nations and Germany's entry, there is the problem of the occupied territory. London thinks that Stresemann was wrong to raise this at the present stage of the negotiations.

BERLIN, *July* 30, 1925.—The Wilhelmstrasse is still convinced that Briand intends to kill the Pact—and to do it in such a way that the blame will fall on Germany. This suspicion is entirely contrary to the evidence.

HOWEVER, error in this case has the less importance—since, on the supposition that Briand is insincere, the right attitude for Germany is to demonstrate irrefutably her own sincerity.

BERLIN, *August* 7, 1925.—The supreme importance of the protracted negotiations regarding the Pact is such that everything else recedes into the background, even the Commercial Treaty. This will be approved by the Reichstag Committee. It will come before the full Reichstag on Tuesday or Wednesday.

THERE is distinct improvement about the Pact negotiations. The German papers do not say much regarding the promised evacuation of the Ruhr and the three towns, but there is no doubt that the attitude of Herriot on this subject has powerfully affected public opinion here. It is no exaggeration to say that six months ago no one here believed in the possibility of the Ruhr evacuation in August 1925, while as little as a month ago the Government themselves were extremely sceptical regarding the evacuation of the three towns. A great accession has now taken place to the ranks of those who believe in the possibility of reconciliation.

CHAP. IX — August 1925

Briand's declarations regarding the Pact are in the main reasonable. But I am sceptical about the meeting in Geneva, which has been proposed. The atmosphere there contains too much Polish and Czecho-Slovakian perfume. The Germans would be less suspicious if London were chosen. Failing London, I prefer Ostend or Brussels. Suspicions regarding the sincerity of the German Government and their desire to bring the Pact negotiations to a successful conclusion are entirely mistaken; their whole political prestige depends on the result. How can they be hostile?

Regarding the idea of a meeting of legal experts, this is still opposed here—I think wrongly. While I do not fear a meeting of legal experts, I should prefer a Ministers' Conference. Anything rather than further Notes. Directly the Germans begin to write they lapse into pre-conditions, bearing upon the improbable, and the more numerous and abstruse these pre-conditions, the better the German draftsman is pleased.

Berlin, *August* 11, 1925.—During the last two months there has been a vast improvement in the situation here. This is mainly due to the French having evacuated the Ruhr, and to their intended evacuation of the three "Sanction" towns—Düsseldorf, Duisburg and Ruhrort. Regarding the latter, orders have been given, but complete evacuation will not take place until towards the end of the month.

This action on the part of the French has had two effects here—that of strengthening the position of the Luther-Stresemann Government, and that of increasing the number of adherents to a policy of reconciliation. The whole basis of reconciliation is reciprocal advantage and belief that engagements made will be adhered to. This being so, the occupation of the Ruhr by Poincaré destroyed the hope of any increase of confidence, while the delayed

August 1925

evacuation of the Cologne zone on the inadequate pretext of non-fulfilment of disarmament destroyed belief in the execution of engagements which the Allies found inconvenient.

If the present negotiation for a Pact can be carried through rapidly on the strength of the good impression made by the Ruhr evacuation, a new era of mutual confidence between France and Germany may commence. I say "mutual confidence" and not "friendship," because, at the present time, hostility between the two nations is too great for anything better than an absence of mutual apprehension.

It is sometimes argued that a Pact of Mutual Guarantee is not requisite, the same object being attained almost as effectively by adoption of the Protocol, with the advantage that the latter involves England in less direct responsibility and less danger of becoming engaged in war. To my mind this reasoning altogether neglects the most important point, namely, that no moral pacification and a very small increase of confidence would result from the signing of the Protocol, whereas a direct Pact of Mutual Guarantee, binding France and Germany not to make war upon one another, would remove from the European sky the most menacing of its clouds. If the danger of war between Germany and France is eliminated, the chances of the maintenance of Peace in Europe increases two or three hundred per cent. The whole diplomatic atmosphere will be modified.

No countries, except France and Germany, will gain more by this Agreement than Czecho-Slovakia and Poland, where frontiers are hardly yet solidified and where stability would be greatly endangered by any outbreak of hostilities.

The advantage of the Pact of Mutual Security will be most direct to the principal contractors—to Germany in the immediate present, since she is disarmed; to France in the further future, when she may have only 40 million

CHAP. IX — August 1925

inhabitants against Germany's 80 millions. Were I a statesman of either of these two countries, I should not rest until the Pact had been signed, sealed and ratified.

THE direct advantage to England is less obvious, but the indirect advantage of becoming arbiter between France and Germany gives us a position of enormous potentiality. It makes us a dominating factor in European politics.

A SECONDARY effect of the Pact will be to relieve Germany of the danger of being driven into the arms of Russia. I have never been an alarmist on this subject, believing the difference of political temper between Germany and Russia to be such that a close alliance between Soviet Russia and a fundamentally aristocratic Germany is hardly conceivable. Still, the circumstances of the Genoa Conference may recur, and another and worse Rapallo Treaty ensue. Under the Pact, Germany is accepted as an equal and as a co-partner with France and England in the maintenance of Western European conditions. As such, the danger of her being attracted into the Russian communistic orbit is obviously diminished.

As regards opinion in Germany on the Pact, the Government is mainly drawn from the Right, but the principal support for the Pact comes from the Left. The Right tolerate and will probably vote, but without enthusiasm. Luther and Stresemann have secured them by accepting the new scheme of taxation which gives protection to agricultural produce. But at heart the Right remain hostile to any final abandonment of Alsace-Lorraine—hostile to any reaffirmation of the Versailles Treaty.

STRANGE as it may seem, they are less hostile to Communistic Russia than are the German Socialists. The latter compete with the Communists in the same market, but it is certainly an anomaly that both the Commercial Treaty with England and the Pact of Mutual Security will be carried by a Government nominally of the Right, on the real foundation of support from the Left.

August 1925

The Commercial Treaty between Germany and England will presumably be ratified to-morrow. There has been a certain amount of opposition to it, but not on intrinsic grounds. The opposition has come mainly from colonial cranks, who are spread through all parties in Germany and command a good deal of influence. Also from the Völkische, who are against anything sensible, and the Communists, who are against anything English.

I have recently reread the Protocol attached to the Treaty, and am impressed by the breadth of the basis on which it is framed. If both countries live up to what both have signed in the Protocol, there will be a happy future for Anglo-German trade.

Moreover, a great example will have been set for other countries desiring to conclude Commercial Treaties.

The merit of the Protocol is that it establishes agreement on all the following points:

Most-favoured-nation treatment.

No discrimination.

Sympathetic consideration of unfair treatment.

Reciprocity.

Full account taken of favourable English treatment, i.e. a definite return for Free Trade.

(This principle appears for the first time in a commercial treaty.)

Readiness to enter into verbal negotiations to examine complaints.

No prohibitions or restrictions, except those notified before ratification of the Treaty (a very limited list).

Removal of special disabilities imposed on Germans in England—a bad relic of war psychosis, quite inapplicable to entirely altered conditions.

Facilities, equal to those enjoyed by German companies, for English shipping, English banks, and English insurance companies.

BERLIN, *August* 11, 1925.—The reply to the German Note is being drafted in London. Briand is reasonable, and realises that the essential point is to enter upon a real discussion with the Germans; not to impose another Treaty upon them.

CHAMBERLAIN continues to press his idea of a preliminary discussion between jurists, perhaps the most practical solution. It certainly will achieve this—that the Germans will be put on an equality with the Allies, and Stresemann will know in advance the general character of the proposals the Allies will make. He can therefore consult his colleagues in Berlin before coming to the Conference.

IN sketching the terms of the Pact, the object of London has been to secure that there shall be arbitration (judicial or by a tribunal of conciliation), and that the decision of the Arbitrators shall be of binding force. The only case justifying resort to force without first exhausting the procedure of conciliation would be where one of the parties had been guilty of such a flagrant act as constituted an immediate danger to the others. In such a case, and only in such a case, is an immediate recourse to force contemplated. What applies to Germany applies also to France.

CHAPTER X

AUGUST—OCTOBER 1925

Beneficial result of evacuation of Ruhr—Acceptance of Commercial Treaty by Reichstag—Outlook more hopeful—Respite for Stresemann and Luther—Interesting information from British representative in Moscow—German and French attitude at Geneva—German Mission leaves for Locarno—Chamberlain's influence.

BERLIN, *August* 15, 1925.—The Commercial Treaty has been accepted by the Reichstag. Up to the last Ministers were nervous about the attitude of the Colonial Party. Pressure from them might have forced the German Government to draw back. As a matter of fact they have remained firm, and are now delighted to have the conclusion of so important a Commercial Treaty to their credit.

BERLIN, *August* 15, 1925.—Assurances are published that in any future conferences—or, as they are technically termed, "conversations"—about the Pact of Security, full equality will be given to the German delegates. This makes powerfully for solution. The proposed meeting of experts has been modified into a proposal that Gaus, the German legal adviser, should come to London to get information and to ascertain the real intention of the Allies. This is good diplomacy. The Germans have always requested that the text of the proposed agreement should not be communicated to them in a formal manner. The Gaus mission enables communication to be made verbally in the most informal way.

THE German Ministers are by way of being very tired and in need of a holiday; the truth is that Stresemann has had a pretty severe task during the last few weeks. I have, however, urged on them that with such an opportunity as the present affords to bring the Pact into harbour, the idea of leave must be relegated to the background. They appear somewhat unwilling to recognise this.

Things look hopeful about the Pact. Let them continue as favourable for a few weeks longer, and the prize will be won.

Berlin, *August* 27, 1925.—The Cabinet here has been discussing the draft of the Pact for the last two days. There has been a great deal of criticism from the Ministers of the Right, but I gather that on the whole the draft has been well received.

With regard to the meeting of the Allied Ministers, the first idea was that Germany should be represented by Stresemann and Schubert, following the precedent of the London Conference last year. Now it is thought desirable that Germany should also be represented by one of the National Ministers.

The general view is that Stresemann comes to decisions so rapidly and is so bold that he requires the ballast of an additional Minister. Even Schubert, the Secretary of State, whom all would term an eminently safe man, is not considered an adequate check. Schubert's critics say that his vocabulary is limited to the words, "Es ist schrecklich," and this is not enough to water down Stresemann.

Rumour says that in the Cabinet discussion Gessler, who has influence both with the Right and with the Army, has been wise and helpful.

Berlin, *August* 27, 1925.—Cabinet discussion of the Pact has lasted two full days, and Stresemann tells me that he has had considerable difficulty in meeting the opposition of Schiele. The Ministers, other than the Nationals, were generally favourable to his proposals.

Luther is seriously overworked, and has been ordered by his doctors to go away for several weeks' complete rest. He is proceeding to-day to an island in the North Sea, and will not be back in Berlin before the end of September, unless there is real urgency. Stresemann is going to another island at a reasonably safe distance. I imagine, however, that both will have to return before the middle of next month, if the Gaus conversations proceed as smoothly and as rapidly as I hope.

BERLIN, *September* 15, 1925.—London is confident about Briand's good sense, suppleness, liberality and courage in the approaching negotiations. I am asked if I have equal confidence in the German negotiators. I have. They will raise tiresome points, but they are determined to arrive at a reasonable settlement. It is unjust to accuse them either of want of faith or want of courage. In the face of great difficulty Berlin has remained reasonably consistent on the main objective.

BERLIN, *September* 25, 1925.—I have great difficulty in getting London to understand the German position. Directly one explains that the German attitude is necessarily limited by the necessity of taking into account Nationalist views, I am told that this must needs lessen the value of Stresemann's good intentions, and makes an observer sceptical about the solid basis for the peaceful relations which are contemplated.

ANOTHER criticism is made. It is that directly German overtures are accepted, they begin to whittle away their assurances and to introduce new conditions.

BERLIN, *September* 27, 1925.—The German answer and declaration were delivered on Saturday in Paris, Brussels and Rome, as well as in London.

IN Brussels and Rome nothing of interest occurred.

IN Paris, Berthelot said the declaration *re* Cologne, though inopportune, did not call for any special comment, but that the raising of the War Guilt question was most unfortunate.[1] The only effect would be to endanger the position of the French Government. Briand, who was informed by telephone, took the same view even more energetically.

The German Ambassador explained that the declaration was nothing new; it was a mere repetition of previous declarations contained in their Memorandum given to Powers on the League of Nations Council in September 1924, and originally stated by Marx on August 29, 1924.

The German Government had only obtained assent of parties to acceptance of invitation on the expressed condition that such a declaration should be made. There had been no means of avoiding it.

The Berlin Government are sending a full statement of the position to their Ambassadors in London and Paris.

Berlin, *September* 28, 1925.—An interesting talk to-day with Hodgson, the British representative in Moscow. He has been there four and a half years, and seems none the worse for it, either in health or mind. The latter, indeed, which with some people is so unfavourably affected by long residence under Soviet régime, seems particularly clear and bright. He does not take an alarmist view of the future, saying that although the Soviet régime will last, a good deal

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[1] The German reply to the invitation issued on September 15 by the Allied Governments for a Conference of Foreign Ministers to take place in Switzerland was accompanied by a memorandum which raised the contentious question of Germany's war guilt. To this attempt to revive an issue which would naturally have compromised the spirit and outcome of the Conference, the British and French Governments rejoined that the negotiations for a new Pact of Security could not be permitted to alter their judgment of the past as embodied in the Versailles Treaty.

The Belgian Government, in a separate Note, added that the question of war guilt in relation to the German invasion of Belgium had been settled once and for all by the statement made on August 4, 1914, in the Reichstag by the late Chancellor, Dr. von Bethmann-Hollweg. The discussion then dropped.

September 1925

of the propagandist spirit has gone out of it. He thinks it will be laicised, and that normal human interests will resume their sway.

REGARDING relations with England he says that the Russians are anxious to get on better terms with us. When I asked him what effect resumed relations with England would make, he did not give a very satisfactory answer, saying: "I suppose we should go back to the old rivalry between England and Russia." If the only result of concessions to the Soviet is to get on such a basis, is it worth any great sacrifice to attain it?

THE Russians he said were dissatisfied with what they had achieved in China, not considering the establishment of chaos as a sufficient return for all their labour and expenditure. They were very active in Afghanistan, and were again on extra good terms with the Turks. He apparently viewed their aims in Central Asia without any violent hostility, these aims being the establishment of republics nominally more or less independent, but under the sway of the Russian Army, and contributing both men and resources to its maintenance.

HODGSON said that he did not consider any permanent improvement in the relations between Poland and Russia as probable, nor did he think that Germany's signing the Pact of Security and entering the League would make any violent difference in Russo-German relations. I told him I considered alarm foolish regarding an alliance between the military section in Germany and Communistic Russia. He agreed as to this for the present, but thought there might be danger twenty or fifty years hence.

I FOUND him more disposed to make concessions in order to get on better terms with the Soviets than I expected.

BERLIN, *September* 28, 1925.—I hear from a confidential source that the declaration regarding war guilt was inserted owing to Hindenburg's persistent pressure. He made a

October 1925

special point on the maintenance of this clause. On other questions he has given full support to the Cabinet.

Berlin, *October* 1, 1925.—I have further information about the Geneva conversations. It is to the effect that the German delegates have been difficult, and have raised every possible " pre-condition " which would be likely to prove an obstacle to the Pact. Briand, on the other hand, has been conciliatory. The Germans, so my informant writes, have been niggling and provocative. How far this is a true picture may be doubted. To anyone unaccustomed to German methods, what they in good faith regard as cautious and businesslike appears to an Englishman to be haggling and intolerable. But there is no reason to be upset by it. It is Fanny's little way. In this particular case, I decline to be distrustful of the German intentions. They have made up their minds to the Pact, and they will go through with it. Stresemann has met with considerable opposition, but he will overcome it. He is thoroughly reliable.

The delegates of Germany and the principal Allied Powers—to whom there were added the Foreign Ministers of Poland and Czecho-Slovakia, Count Skrzyński and Dr. Beneš—met at Locarno on October 5, 1925. The discussions, based as they were on a text in a large part agreed, were conducted informally, rapidly and in an atmosphere of complete harmony. Two difficulties only were raised—those of Germany's entry into the League of Nations—which entailed an agreed revision by Germany regarding her obligations under Article XVI of the League Covenant—and of France's guarantee of the arbitral treaties between Germany and Czecho-Slovakia and Germany and Poland. Both sets of difficulties were settled without loss of time in a spirit of mutual accommodation. A picturesque episode occurred on the occasion of Lady Chamberlain's birthday, when the chief delegates spent the day on the lake in a yacht chartered for the occasion by M. Loucheur. So swiftly did the negotiations proceed that the Rhineland Pact and the annexed Arbitration Treaties were all initialled on October 16. Side by side with the formal

Photo Central News

SIGNING THE LOCARNO TREATY

CHAP. X
October 1925

negotiations mentioned, private conversations took place with a view to reaching a conciliatory settlement of other questions in dispute between Germany and the leading Powers. Thus, the Germans were able to secure the promise of a number of "reactions," such as the speeding-up of the Cologne evacuation, the early winding-up of the Military Control Commission, and a general alleviation of the Occupation Régime in the Rhineland.

BERLIN, *October* 3, 1925.—Last night the German mission left for Locarno. It consisted of the Chancellor, the Foreign Minister and the Secretary of State for Foreign Affairs. As regards the two latter, there can be no doubt that they start to meet the French and English Ministers with the determination to come to an agreement. The Chancellor is more doubtful, being apprehensive about his Reichstag majority unless he obtains, in addition to the Pact, subsidiary advantages for Germany. I had a long talk with him at the American Embassy the other night, and found that he either did not realise, or thought it good policy not to show, the enormous importance of the Pact for Germany. From being an ex-enemy, Germany becomes a Power with equal rights, whose frontiers will be guaranteed by a Treaty, the Treaty being guaranteed by England. Thus, both Germany and France have this security for the safety of their frontiers—that aggression brings in England against the aggressor.

As regards England, it may be said that we take a risk in guaranteeing both France and Germany against aggression from the other. But this guarantee is the best means of preventing aggression.

THERE can be no doubt that to wait for war to come about between France and Germany, and then to hold ourselves free to intervene, if we think our interests affected, is not only selfish but shortsighted, in that it makes war infinitely less improbable than under the Pact. Moreover, as guarantor we enjoy the prestige and the power of an arbiter.

THE new constellation of Europe under the Pact is more advantageous to England than would be the maintenance of the post-War alliances under which France relied for her security partly on a large army, partly on military alliances with Yugo-Slavia, Poland and Czecho-Slovakia. Under the Pact, these alliances will not immediately be given up, but they will cease to be the main protection, and in process of time will probably fade away.

CZECHO-SLOVAKIA is enthusiastically in favour of the Pact. It avoids for her the necessity of deciding between France, to whom they largely owe their independence and with whom they have a military alliance, and Germany, with whom they have long conterminous frontiers, and who buys 30 per cent. of their exports.

REVIEWING the course of the negotiations up to date:

CHAMBERLAIN has shown great ability on several occasions—notably in insisting on the meeting of the legal experts, and secondly in not allowing the incident of the German declaration regarding war guilt to cause any postponement of the Locarno meeting. He answered the German declaration sharply—more sharply than the French or Belgians, and more sharply, some would say, than the occasion required. This was relatively unimportant; what was important was that he treated the episode as minor and transitory, allowing nothing to interfere with or delay the meeting of the Ministers at Locarno.

PERSONALLY, I should not have replied to the German declaration about war guilt with a simple negative. Article 231 of the Treaty of Versailles is too unsatisfactory. The first opportunity should be taken to dissociate German liability for reparation from the charge of war guilt. The ground is too open to controversy.

BERLIN, *October* 5, 1925.—News from London is to the effect that Chamberlain is still distrustful of German policy and full of enthusiasm for what he holds to be the extremely conciliatory attitude of Paris. Briand almost takes his breath away by his liberality, his conciliatoriness and his strong and manifest desire to promote peace. On the other hand, the German methods are criticised as being provocative and suggestive of distrust at every stage.

I CAN hardly believe that Chamberlain really holds these views. Certainly, in this connection any abuse of Stresemann is unjustified. Stresemann might retort that he made the original Pact proposal, and that London went through a stage of considerable hesitation and difficulty before adopting it. Since January the German Foreign Office has steered the scheme through internal political difficulties with immense skill, and has overcome the vocal criticism of the German Nationals no less than the mute disapproval of Hindenburg. From France there has been more scepticism and opposition than support, while Russia has been violently hostile. It would seem therefore that on this particular question nothing but praise is deserved by Stresemann and Schubert, whatever their other laches and crimes may be.

October 7, 1925.—My incredulity regarding Chamberlain's supposed attitude is justified by news from Locarno. He has sent a very optimistic account of the first meeting, praising the conciliatory tone which prevailed, and the desire of everybody to come to terms. Luther, particularly, appears to have made a favourable impression. Stresemann, as usual at first sight, aroused distrust with his sly appearance and his strident voice. It requires a long acquaintance and a clear insight to appreciate Stresemann's good points. Luther certainly possesses the valuable gift of impressing people with honesty and straightforwardness.

CHAPTER XI

OCTOBER—DECEMBER 1925

A motor trial in Soviet Russia—More news of Tchitcherin—Pact of Mutual Guarantee initialled at Locarno—Luncheon with German Nationalist leader—Russian anger at result of Locarno—Schubert on Locarno—German doubts as to Security—Chamberlain's effective diplomacy—Schubert on difficulties surmounted—Locarno Treaty signed in London—Interesting dinner in London.

Berlin, *October* 12, 1925.—News from Russia is always unreliable. Eye-witnesses are scarce, so the following has some interest. It was derived from a conversation with a German owner-driver, who took part in the recent motor trial run organised by the Soviet Government with a view to testing cars in relation to their suitability to Russian conditions. The test run consisted of a journey from Petersburg through Moscow to Tiflis and back.

The total distance covered was 5,000 kms., time taken four weeks. A great portion of the distance was covered over country practically without roads. The run commenced with a banquet at Petersburg, at which all the drivers were told that they were welcome to Russia, but they must realise that the Soviet Government was prepared to fight not only against one country, but against all capitalist countries combined.

The object of the Russian Government was obviously to ascertain what cars were most suited for military purposes, the idea being that the Government should purchase cars and pass them on to private owners with a lien upon them in case of Government requirement, either for war or other purposes.

The moment the tour began the drivers found themselves practically under military discipline. If they wanted to turn back they could not. No food was given them before

October 1925

starting out in the morning, and they got very little at noon; they slept three to fifty in a room, often without beds—most of them fell ill owing to the deplorable hygienic conditions—one of them died of cholera at Rostock, and all the others suffered more or less from dysentery and stomach complaints. They returned covered with bugs and bug-bites.

The experience was therefore not one of pure enjoyment, but they obtained an exceptional opportunity of seeing Russia from within, the mask with which the Soviet Government manage to conceal the true state of the country being difficult to maintain through so long a journey and through so extended a period.

My informant tells me that the whole of the drivers, who comprised eight nationalities, among others French, Czechs and Americans, were unanimous that the present régime in Russia was of a terrible description, the deliberate intention being to destroy all individuality and kill off all exceptional intelligence.

It was not only impossible to do business with people of this kind, it would be a crime to connive at the maintenance of such a tyranny.

As for Germany being on better terms with Russia than anybody else, the Germans and French appeared to be worse treated than the English and Americans, probably because the English and Americans have treated Russia roughly, whereas the others have been more civil.

The dominant impression received was that Russia was entirely Asiatic; not only un-European but anti-European. The population was apathetic, saying, "We had 200 bad years under the Ivans—then we had 300 bad years under the Romanoffs—now we shall have 400 bad years under the Soviet."

October 12, 1925.—Interesting information reaches me from a private source regarding a conversation between

CHAP. XI

October 1925

Tchitcherin and the French Ambassador in Berlin. According to this account, which I believe to be authentic, nothing could have been more loyal to the English alliance than Margerie in talking with Tchitcherin.

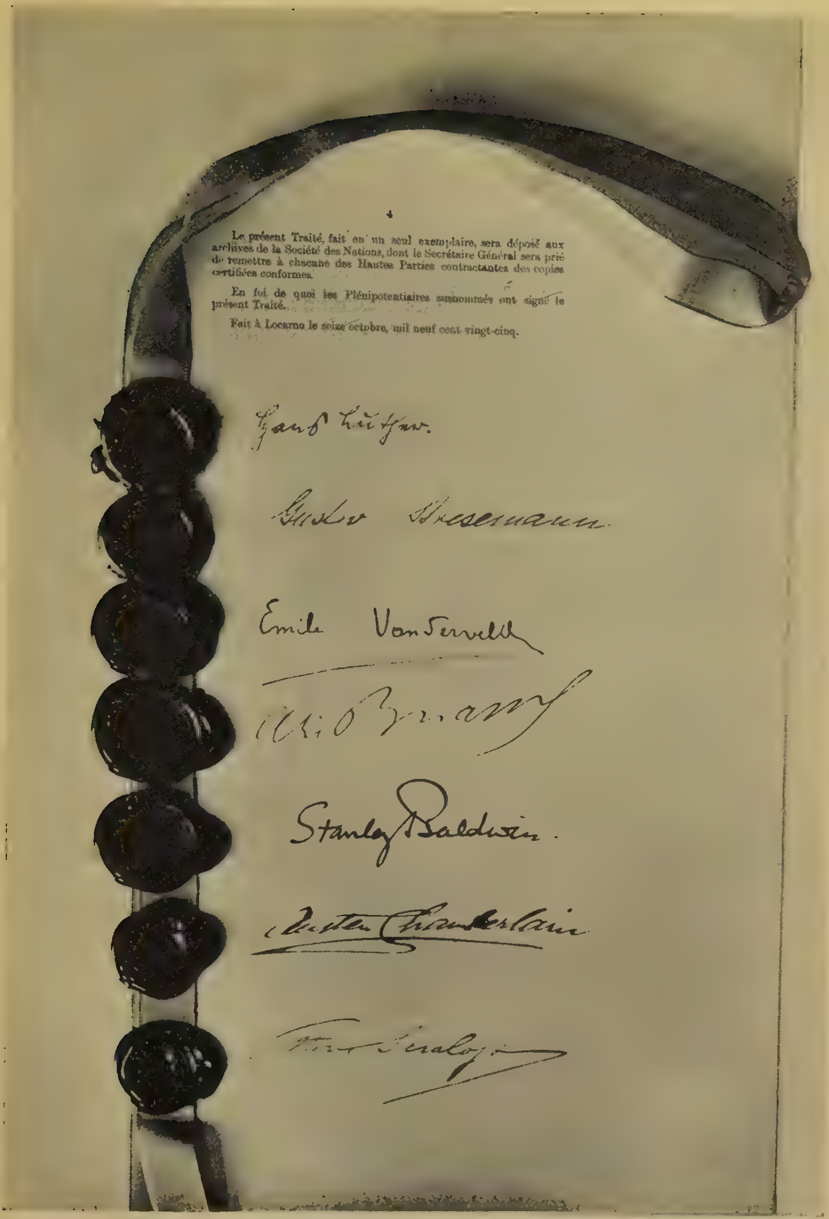
I THOUGHT it expedient yesterday to give Margerie an opportunity of telling me what had occurred, and went to see him for that purpose. But, though I left the door open, he said nothing about having met Tchitcherin, and presumably does not know that I know, either of the fact of the meeting or of the detail of the conversation.

THIS kind of suppression is inevitable in diplomatic intercourse, and I do not blame Margerie for practising it on this occasion. If he had told me what Tchitcherin had said, it would have been almost a breach of confidence towards Tchitcherin. If he did not tell me it amounted technically to a neglect of frankness towards me, but how is anyone to choose between the two ?

THERE can, I think, be little doubt that Tchitcherin has endeavoured to frighten Germany with the spectre of a Russo-Polish-French agreement. I am fairly certain that Tchitcherin is desperately anxious to make friends with France. The Russian is like an operatic artist who knows that his best audience is to be found in Paris. In the long run the Russians can always wheedle the French into believing them. They find a harder hearing in Berlin and London, so that there is a constant tendency to revert to the French intimacy.

THE Russians regard the Poles as a mere bridge to Paris. They have an acute dislike and distrust of them *per se*, but they can be useful as intermediaries. Similarly Paris is regarded by Moscow as a possible bridge to the money markets of London and New York.

I STILL believe, paradoxical as it may appear, that the final constellation will be Germany and Poland versus Russia and France, but admittedly many years must pass before this eventuates.



Le présent Traité, fait en un seul exemplaire, sera déposé aux archives de la Société des Nations, dont le Secrétaire Général sera prié de remettre à chacune des Hautes Parties contractantes des copies certifiées conformes.

En foi de quoi les Plénipotentiaires susnommés ont signé le présent Traité.

Fait à Locarno le seize octobre, mil neuf cent vingt-cinq.

Hans Luther.

Gustav Stresemann

Emile Vandervelde

A. Briand

Stanley Baldwin.

Austen Chamberlain

Vittorio Scialoja

Photo Central News

LOCARNO TREATY SIGNATURES

October 16, 1925.[1]—Pact of Mutual Security initialled at Locarno. Formal signature is to take place in London on December 1. All is well.

BERLIN, *October* 16, 1925.—Addison (the Counsellor of the Embassy) and I had luncheon to-day with Schiele, the leader of the German National Party and Minister of the Interior. SCHIELE has two almost incompatible facets—that of a very clean straightforward country gentleman, and that of a politician with a proclivity to political finesse.

THE luncheon to-day was to meet all his National colleagues, i.e. four Ministers and Westarp, who is not in the Government, but is a kind of independent leader; also Hoetzsch, their best writer in the Press.

WHAT the precise intention of this gesture of rapprochement is I do not know, but I rather imagine that Schiele wanted me to hold forth to his colleagues about the great advantages to Germany of the Pact. I have often told him personally that it would be insane for Germany to decline, even if the subsidiary questions are not settled to Germany's liking. Germany's advantages from Locarno are enormous, first in being treated as an equal, secondly in obliteration of the war-grouping and of the war psychosis, thirdly in obtaining real protection against invasion by

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[1] THIS date marks the turning point in the post-war history of Europe, not only diplomatically speaking but psychologically. It was a decisive blow to the preponderance of the war spirit, which hitherto had maintained a stringent line of demarcation between the victorious and the vanquished nations. The Pact was a negotiated, not a dictated, Treaty. It also ended the system of one-sided alliances by the undertaking of Great Britain and Italy, in the event of any future Franco-German conflict, to throw all their weight, both moral and material, on whichever side was deemed to be the innocent one. In this way the Pact was designed and destined to reassure France and Belgium against the peril of any renewed attack from Germany. Similarly, it reassured a disarmed Germany against any abuse of power by a fully-armed France and her numerous allies. In a word, it restored the necessary balance of power.

France. This must have great value, since France is armed and Germany disarmed. The change is fundamental—the advantage indisputable.

WHETHER I was invited as an advocate of the Pact or not, I certainly played the part. Perhaps I made some conversions.

THESE National Ministers are essentially country gentlemen. Most of their conversation is about the stags they have individually shot or missed, or the quality of the wine. These subjects I find beyond my range. If I endeavour to show interest and understanding, I make some egregious blunder.

BERLIN, *October* 18, 1925.—Tchitcherin is staying on in Berlin. No certain motive can be assigned, as he does not appear to be making much play with the National leaders. On the other hand, he has secret meetings of the modernised cloak and dagger order with both French and Italian representatives. This fact is not generally known. No precise details of the conversation on these occasions are available, but the general tenor will soon be apparent by reflected light.

TCHITCHERIN is said to be drinking so hard that unless his diabetes is purely diplomatic, he will not long grace this planet.

BERLIN, *October* 19, 1925.—As regards the ratification of the Pact of Mutual Security, there is so far no evidence in Berlin of violent opposition. There will be discontent—real or assumed. There will be unwillingness to give Luther and Stresemann the praise they deserve—but I do not think there will be any fundamental opposition. Even the Nationals—with whom I am now quite friendly and who are good fellows—will not, I believe, take an extreme attitude. At the same time, " On ne désire pas très ardemment ce qu'on ne désire que par raison."

As regards the Russian opposition, I hear it is decided that Tchitcherin should accept Briand's invitation to visit Paris before he returns to Berlin and Moscow.

TCHITCHERIN appears to pursue two incompatible aims: to constitute a great anti-English block, and to obtain money from London.

BERLIN, *October* 20, 1925.—The meeting at Locarno has gone off incomparably better than even the most optimistic anticipated. The German delegates, who are back, seem satisfied both with the result achieved and—in a more marked degree—with the friendly atmosphere which prevailed. A vast improvement on any previous Conference. As regards the terms of the Pact, the German delegates anticipate that the real criticism will be in Germany, but they rely on the " alleviations " obtained to give them a majority, particularly on the anticipated improvement in the Rhineland conditions, the evacuation of the Cologne area, and the concessions they have obtained regarding aeroplane construction and air traffic. They speak highly both of Chamberlain and Briand.

THE most disgruntled parties are the Russians. Locarno has infuriated them, and they will do everything in their power to wreck it. The Russians have two main objects —to obtain money, and to overthrow " English dominion and exploitation in Asia." Tchitcherin is so set upon the latter of these ambitions that he hopes to obtain French assistance in destroying English power in China, forgetting that France has great interest in the Far East, and would lose rich and prosperous colonies if there was a general revolt against European authority and influence.

BERLIN, *October* 20, 1925.—An important conversation of exceptional interest with Schubert regarding the results of Locarno.

HE is highly gratified by a long private conversation he had with Chamberlain, in which the latter had been extremely frank on all current diplomatic problems; also pleased with the friendly relations with other members of the English Delegation, particularly Hurst, whose work he praised.

Schubert's general tone was to say that a great deal remained to be done regarding the "Nebenfragen" and reactions. It was essential to get a date fixed for the evacuation of Cologne—it was essential to obtain modification in the Rhineland régime. Other points which must be negotiated were the investigation clauses of the military committee of the League of Nations and the air restrictions imposed on Germany.

From every point of view, for the sake of European peace it was most important to get the Nationals to support the Pact negotiations. This would only be possible if evidence was given during the next month that certain German desiderata would be met. I told Schubert that the evacuation of Cologne depended entirely upon disarmament. It was for the Germans to take the first step regarding disarmament, and to show the new spirit. No one in England wanted to remain in Cologne, but we must be given a valid reason for going out. We could not now act in direct opposition to what was done last year.

Berlin, *October* 23, 1925.—Now that Germany's relations to England, and to our Allies, have been established on a new basis, it may be the appropriate moment to take leave of Berlin. In a few months, if not immediately, Germany will have become a member of the League of Nations. Disarmament will have proceeded far enough to permit the fixing of a time for the evacuation of the Rhineland.

Berlin, *October* 25, 1925.—Much gratified by Chamberlain's cordiality and by letters from London saying that the assistance I have been able to give to the Locarno policy is appreciated in Government circles.

It has been a wonderful negotiation, both on account of the speed with which it has been carried through, and the results which may be anticipated from it. In the early stages I was perhaps unconventional in strength of my advocacy of a reciprocal Pact as opposed to an anti-German League, but I believe all but fanatics now recognise that this was the one policy likely to lead to European pacification.

Berlin, *November* 15, 1925.—Great confidence here regarding acceptance of the Pact of Mutual Security by a satisfactory majority. The curious thing is that while everyone is convinced that the Pact will be passed, no one has any exact idea as to the precise parties who will compose the Reichstag majority. The Conference of Ambassadors in Paris has contributed powerfully to the satisfactory outlook. It was of vast importance to obtain a firm declaration regarding the evacuation of Cologne, before the party meetings take place here. Decisions arrived at respecting both the evacuation of Cologne and alleviations in the Rhineland will certainly have a decisive effect in modifying opposition. One cannot repeat too often that the German view is largely what Allied action makes it; recognise goodwill, show appreciation of German action, and you have a different Germany from that produced by unjustified suspicion and unrestrained criticism.

Nothing now seems likely to prevent the signing of the Pact of Mutual Security in London on December 1. The subsequent ratification will follow in due course. With Locarno signed, and vigorously carried out in its legitimate implications, the old danger of a Russo-German alliance versus the Western Powers may be regarded as obsolete. While the Russians are violently antagonistic to Locarno they cannot upset it, provided that both the Allies and Germany continue to act in the Locarno spirit.

It seems to me difficult to exaggerate the importance of the Reparation Settlement in 1924 and the Treaty of

CHAP. XI
November 1925

Locarno in 1925, and it is satisfactory to recall that both these great advances towards the pacification of Europe have been carried through mainly on the initiative of England. Without English influence, exercised in the strongest manner, there would have been no Dawes plan, and still less would there have been a Locarno. We are sometimes reproached on the Continent with selfishness; let this be recorded to our credit.

Berlin, *November* 18, 1925.—Germans say that the general failure here to appreciate the Pact is due, not to party politics, nor to militarism, nor even to war spirit, but simply and solely to want of political instinct.

The first and main gain is that Locarno puts an end to the war entente against Germany. It brings Germany into the European consortium of Western Powers, and finishes "the wicked disturber of the peace," "the aggressive militarist," and "the mad-dog" conception of the diplomatic position.

In addition to advantages on the broad issue, there are very distinct gains through the "reactions" in the occupied zone. These may be summarised as follows:

(1) The immediate evacuation of the Cologne area, together with numerous concessions in regard to the degree of disarmament required by the Note of June 6.

(2) A considerable reduction of the occupying forces and the liberation of a number of billets, schools, public buildings, etc., the requisition of which was probably the heaviest burden of the occupation.

(3) By the reinstatement of the Reichskommissar Germany can make her views heard on all questions touching the interests of the Rhineland without the cumbrous intervention of diplomatic machinery in three capitals.

(4) By the suppression of delegates, and the restriction of the powers of military courts, Germany recovers full civil sovereignty in the Rhineland. The population is

spared the "humiliation" of being in constant contact with foreign officials, and any foreign interference in local politics is prevented.

Against these gains, impartial estimate might perhaps set certain losses. The principal of these is a weakening or abandonment of the Rapallo Treaty basis, but Rapallo has never been very satisfactory to Germany. It has given none of the commercial gains which were anticipated and not much of the diplomatic support; it has merely served to prevent Germany feeling out in the cold.

I still hold that prolonged co-operation between the German Right and the Russian Left is unthinkable, but I must admit that the other night at the Russian Embassy I was somewhat shaken to see how many gentlemen there were with stiff military backs and breasts bedecked with iron crosses, all partaking freely of Soviet champagne.

Berlin, *November* 18, 1925.—The Treaty of Commerce between England and Germany, which was ratified in October, contains many features of special interest. These are clearly set forth in the Protocol attached to the Treaty. This Protocol states that the Treaty of Commerce and Navigation now signed is based upon the principle of the "most-favoured-nation," and that both nations undertake to give the widest possible interpretation to that principle. They undertake not to discriminate against the trade of the other party either as a result of customs duties or customs classification. They further agree not to impose, re-impose or prolong any duties which are specially injurious to the other.

So far there is nothing novel in the spirit of the clauses; they only give a more extended and, at the same time, a more precise interpretation to the most-favoured-nation principle; but Article 2 of the Protocol goes farther, for it establishes that each country will give reciprocity for favourable treatment of the produce of the other. This

November 1925

reciprocity for favourable treatment replaces advantageously retaliation for unfavourable treatment, which has hitherto been the only or incomparably the most usual means of pressure adopted in commercial matters between nations. The obligation to return favourable treatment for favourable treatment is also to be applied in the matter of such special prohibitions and restrictions as are exceptionally permitted.

Should either party consider that the other is not acting in accordance with the above undertaking, both parties agree to enter at once into verbal negotiations.

Article 3 of the Protocol establishes another provision of great importance. It is that, with the exception of a small special list already notified, neither country shall be allowed to establish any form of prohibition or restriction on import or export to or from the other.

In Article 4, the British Government undertake to do away with the special restrictions which have been applied since the War to German citizens and German companies. This provision is already in force.

As a counterpart to this abolition of restrictions on German subjects, the German Government undertake, in Article 5, to afford to English banks, insurance companies and to English shipping the fullest equality with German concerns, banks only to be subjected to the general German law, and to be allowed to open branches and receive deposits on the same terms as national concerns.

English insurance companies are to be admitted to carry on business in all parts of Germany, subject only to the provisions of the German insurance law. All facilities compatible with German law are to be given to agents or underwriters of the United Kingdom.

In the matter of shipping the principle of national treatment is to be applied to English companies. Vessels and shipping companies of either party are to be placed, in the territories of the other, on exactly the same footing as national vessels and companies.

November 1925

It will be seen from the above that the Protocol goes far beyond any previous international agreement in affording advantageous treatment in exchange for advantageous treatment, instead of leaving the door open for restriction as a rejoinder to restriction and an increase of duty as a retaliation for increase in the other country. If the underlying principles of the present Treaty of Commerce, as set forth in the Protocol, are carried out in the spirit which animates that document, a vast increase of commercial exchange should occur between Germany and the United Kingdom.

It may also be hoped that the same principles applied to the Commercial Treaties with other countries will prevent the progressive increase of customs obstacles which has been a feature of commercial legislation in many countries during the last few years, and will turn the tide towards greater facilities to trade and freer intercourse between the innumerable nations which now compose, and divide, Europe.

Berlin, *November* 18, 1925.—The alleviations of the régime in the Rhineland[1] have not been received here with the expressions of satisfaction and contentment which they deserve. In my view these alleviations go far beyond what might reasonably have been expected from the French. But the Right here will not admit that anything obtained by the present Government is good, while the Centre and

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[1] These alleviations comprised the reappointment of a German member to the Rhineland High Commission, the suppression of local delegates, the transference of the great majority of criminal proceedings from the Allied courts-martial to the German courts, and the rescinding of a number of ordinances restricting the liberties of the local population.

In addition, a promise was made to commence the evacuation of the Cologne zone on December 1, to effect a substantial reduction in the forces of occupation, and to terminate military control as soon as Germany had given satisfaction on the few outstanding points of difference between her and the Allies.

CHAP. XI

November 1925

Left for the main part either fail to recognise the great benefits which have accrued or consider it politically expedient to ignore them.

The art of expressing gratitude, with a view to obtain an increase of future favours and benefits, is one which the Germans do not practise. Directly they are granted anything, they not only ask for more, but criticise what has been given as inadequate satisfaction to their unquestionable rights.

The only exception I see is Stresemann, who in all the negotiations concerning the Pact of Mutual Security has shown remarkable breadth of comprehension. Both intellectually and in will power, he is superior to his colleagues. In spite of this, or in consequence of it, he is far more unpopular than any of them. The Right hate; the Extreme Right execrate. The Socialists have no great confidence, and even his own party, the Volkspartei, are dominated by expediency rather than drawn to follow by love.

Luther has an invaluable quality which Stresemann lacks, namely, that of inspiring confidence, particularly in rather dull and stupid people. As these constitute so large a majority Luther commands the larger following.

The Military Commission of Control appears at last to be nearing its final release. The negotiations in Paris the other day were carried through with skill and vigour by Crewe. The result was that the announcement of the "Reactions" of Locarno was published in the most impressive manner and at the most advantageous time. Telegrams from here had something to do with it, but the British Embassy in Paris deserve all honour.

The final delay has been caused about points of no real importance, so far as they affect Germany's preparedness for war or the danger of war. As a matter of fact, all the measures of disarmament which have been carried through since a year ago have a military value of ·0001. When things ultimately come right, there is no sense in regretting that they did not come right sooner, but I still hold the view that disarmament might have been regarded as complete a year ago, that Cologne might then have been evacuated, with a marked increase of brotherly love between nations. However, quite possibly in that case there would have been no Locarno, and Locarno may be cheaply bought by a year's prolongation of the Commission of Control.

Looking back at previous notes, I am struck with the fact that I put Security before Reparation, and urged Curzon in 1922 to take up some scheme like that which has since evolved into the Pact of Locarno. Apparently I then thought that no Reparation settlement was possible without previous agreement establishing Security. This turned out to be an erroneous view—America came in, financial pressure was exerted, fixation of a total sum of German indebtedness was wisely abandoned by the Western Powers, and the Dawes Reparation scheme was accepted by all parties. It is, however, possible that my plan of taking Security first would have resulted in a more moderate Reparation scheme and therefore one of a more permanent character. I greatly doubt whether the full annuities foreseen in the Dawes plan will be paid during many years. It might have been better to have negotiated in the light of the improved atmosphere of a Security Pact and established at once Reparation on a reduced basis.

Chamberlain continues to handle the question of the Pact of Security with remarkable ability. Not only have all the Germans returned from Locarno with a high opinion of him, but the pressmen of various nationalities whom I have seen admit that his tact, sincerity, and his evident desire for a solution and not for a personal or national advantage had a great deal to do with the success of the Conference.

The choice of London for the final signature of the Pact is quite consonant with the position of England as guarantor and quasi arbiter—it throws into its proper light our moral position in the whole negotiation.

Berlin, *November* 28, 1925.—An interview this evening with the Secretary of State, to ascertain if the formalities regarding the Pact of Security were complete.

He said: " The President has not signed yet, but there is no doubt about it, so that you may regard the whole of the formalities here as having been fulfilled. The delegates will therefore proceed to London to-morrow night with full authority to sign."

We then discussed the origin of the Pact negotiations, and Schubert conformed in a striking manner what I have already written about the early stages.

He said: " If I had foreseen all the difficulties which the proposal would encounter here, I do not think I should have had the courage to advocate it. We may certainly say to-day that 'Das Kind' is alive and even strong and healthy, but the outside public has no idea what dangerous infantile illnesses it has gone through. When the first Note to the English Government was sent on January 20, and even later on February 9, when the Note went to the French Government, there were very few people here who were favourable to the German initiative. I believe that if either Chamberlain or Herriot, when they first heard of the proposal, had published it, it would certainly have been killed, not once but twice—certainly both in Paris and here; perhaps also in London—and incidentally Stresemann and others thought responsible for the proposal would have departed this life with it. I am convinced that if Herriot had not kept the proposal entirely to himself, but had let it reach the Press through the bureaux, it would have been torn to shreds in Paris. Instead of that he kept it secret, allowing the general idea only to transpire gradually. This procedure saved its life.

" After all, the negotiations have not taken very long.

November 1925

I remember when you first mentioned the subject to me in the last days of December 1924, you brought a map and explained what you meant by the 'iron curtain.' The Pact idea is the same idea—that of a barrier between France and Germany preventing either power from making war without becoming definitely the aggressor and so incurring the hostility of the civilised world. When you first mentioned this idea it found little favour anywhere, but the advance achieved since has been astounding. I quite agree with you that by the signature of the Pact the danger of war in Europe has been reduced by at least 70 per cent. —perhaps by more."

I REPLIED to Schubert that I thought I had discussed the subject of Security with him before the end of December. My recollection was December 8 or 10. He said : "No, you may have discussed the subject generally several times during the last three years—once I remember in 1923—but the definite scheme of an 'iron curtain' was only brought forward quite at the end of December last."

ON the subject of the conversations to take place in London Schubert said there was no definite German programme, but necessarily a good many questions might be touched upon, particularly the manner and time for Germany to enter the League of Nations.

LONDON, *December* 1, 1925.—The ceremony of the formal signature of the Treaty of Locarno (see Appendix V) was carried through to-day with dignity. The speeches were adequate to the occasion, and the whole organisation of the ceremony as impressive as is possible under modern conditions. Both Chamberlain and Briand spoke well.

THE SIGNATURE OF LOCARNO, *December* 1, 1925

THE Allied and German statesmen who had initialled the Treaties in Locarno met, on December 1, in London for the final and ceremonious signature. The meeting was held in the gilded chamber of the Foreign Office, and there were present, along with the Prime Ministers and Foreign Ministers of the leading Powers, most of the Ambassadors and other diplomats who had taken a share in the various stages of the negotiations leading up to the Locarno achievement. There were no formal political negotiations, but Dr. Stresemann had various private conversations, notably with Sir Austen Chamberlain and M. Briand, in the course of which he developed certain ideas of his own regarding concessions by the Allies to Germany, e.g. a rapid reduction in the effectives of the army of occupation, and future co-operation between Germany and her ex-enemies—for instance, in the sphere of aviation. He also raised the question of a Colonial Mandate for Germany, but he was urged by Sir Austen not to bring forward so controversial an issue at the moment.

The chief delegates, including the Germans, were received by His Majesty King George at Buckingham Palace, and were congratulated upon the spirit they had displayed.

London, *December* 12, 1925.—Sir Abe Bailey, an old friend, the South African financier and owner of race-horses, gave a dinner last night to celebrate my part in Locarno. A Belshazzar feast, of a refined order, with a wonderful collection of guests. Two ex-Prime Ministers, Balfour and Asquith, the Chancellor of the Exchequer, Winston Churchill, Geoffrey Dawson, the Editor of *The Times*, Keynes, Philip Kerr, and several newspaper magnates.

I remember a poker party with Bailey in Johannesburg in 1895 at the time of the full boom, before the Jameson Raid. At one stage of the evening the stakes were so high that it cost a thousand pounds to see your cards. That was what Stresemann would call " Ein tolles Jahr."

Berlin, *December* 18, 1925.—The relations between Germany and Afghanistan deserve close attention. The German Government is seeking by all possible means to put them on an intimate footing, apparently in co-operation with the authorities at Kabul. There are not only Germans among the leading military advisers to the Afghan Government, but German archæologists in ever-growing numbers

December 1925

are being sent to Afghanistan. Further, more and more young Afghans attend the university courses in Berlin, and other centres of German culture. The comparative cheapness of education in Germany is the main factor which enables her to compete so successfully with the schools and universities of Great Britain.

Berlin, *December* 21, 1925.—The excitement of the week has been the discovery of plots against the life of Stresemann. Apart from the one which has been discussed in the papers, it appears a second attempt was being organised in an independent quarter. The fact of two simultaneous conspiracies going on shows how widespread is the antagonism to Stresemann. It is also disquieting to find that the would-be assassins disposed of considerable financial and other facilities, including—it is alleged—an aeroplane.

Regarding the formation of a new Ministry, nothing much is to be expected before January 10. The probability is that Stresemann will remain Minister for Foreign Affairs and Luther Chancellor. If Luther is not Chancellor, he is said to wish for the Ministry of Commerce.

CHAPTER XII

DECEMBER 1925—FEBRUARY 1926

Difficulty of language at London Conference—Holstein's letters—Locarno ratified—German application for admission to League of Nations—Schacht on prospects of financial security—Stresemann on present position: Alsace-Lorraine—Hindenburg as President—Visit to Berlin of Secretary of League of Nations.

BERLIN, *December* 23, 1925.—Stresemann told me yesterday that there was no truth in the suspicion that Luther and he, by speaking German at the signature of the Pact in London on December 1, had a deliberate design to install German as one of the languages of diplomatic debate. As a matter of fact, Luther, who spoke French well, had intended to speak in that language, but there was a point in his speech over which he and Stresemann had a violent difference of opinion. This had led to a discussion, which had lasted all the previous day and most of the previous night. Stresemann did not tell me what the point of divergence was. They had only come to an agreement on the morning of the ceremony. There was therefore no time to prepare the words of the speech in French, but on the way to the Foreign Office Stresemann had said to Luther: "Since you speak French fluently, why not adopt that language?" At the last minute Luther had either doubted the expediency of this course or had doubted his own capacity in the language. So, against original intention, German had been spoken—there was no deliberate design in the matter.

As for Stresemann, he could not speak French, so he had no option but to make his address in German.

BERLIN, *December* 23, 1925.—Tchitcherin left Berlin last night after a stay of three days. He had several interviews with the Minister of Foreign Affairs and other German authorities, including General von Seeckt.

Photo A. Binder, Berlin

GENERAL VON SEECKT

CHAP. XII

December 1925

I HEAR from a very confidential but reliable source that his tone on this visit was quite different from that of two months ago. Then he menaced and bullied, his language about Locarno having been much more violent than was admitted at the time. On the present occasion he was mild, apparently regarding Locarno as an accomplished fact against which it was useless to rail. He advocated an intensified development of commercial relations with Germany, urging the German Government to adopt a system similar to that of the English Trade Facilities Act. He also laid himself out to get on friendly terms with the Right.

REGARDING the League of Nations, Tchitcherin advanced a new argument against joining. It was this, that by going to Geneva a Power is compelled in the case of a dispute to declare herself for or against a given country. This was inconvenient and embarrassing, as one had to take sides instead of giving friendly assurance to both litigants. One had enough enemies in the world without making a journey to Geneva to swell their number.

As regards negotiations in Paris, he expressed himself satisfied and hopeful. Indeed, he appeared to expect that considerable credits for Russia would again become available from French sources. His story of the negotiations with Briand tallied exactly with the account Paris gave Berlin.

TCHITCHERIN stated that a Treaty of Neutrality had been concluded between Russia and Turkey,[1] and would be published in a few days. This information appears to have surprised the German Government, because they thought there already existed between Turkey and Russia something much closer than a Treaty of Neutrality.

As regards England, Tchitcherin's language was quite unchanged. He still represented England as the seducer and Germany as the seduced, saying, "Why play Marguerite

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[1] SEE Appendix VI.

December 1925

to England's Faust? Nothing but disaster can come to you from such a connection." England, he declared, was endeavouring to effect the financial starvation of Russia by preventing other countries from giving her credits. This attempt had failed; financial facilities for Russian commerce were already forthcoming from America.

Berlin, *December* 24, 1925.—Great interest has been excited here by the publication in the *Berliner Tageblatt* of a series of letters to his bankers from Baron von Holstein, the celebrated Counsellor at the Foreign Office from 1876 to 1906. These letters extend over a series of years—they were written sometimes three in one day, and they appear to transmit to the recipient all the Foreign Office secrets for the purpose of Bourse speculation.

The intentions of the Government with regard to taxation and with regard to commercial relations are frankly revealed with a view to allow Holstein's bankers to make speculative profits for joint account.

The newspapers of the Right keep very quiet about the matter, as they realise how detrimental these revelations are to the prestige and honour of the Imperial Government. They do not dispute the genuineness of the letters; their only defence is that the money was largely used for the benefit of the public service, presumably in private espionage directed by Holstein. Whether, as alleged, this expenditure was inspired by patriotic motives, or utilised to satisfy personal hostilities and jealousies, remains doubtful.

I had an opportunity lately of discussing the whole incident with someone well acquainted with Holstein's private life, and learned the following details:

Outside the letters to his banker, a large collection of letters from Holstein to a certain Frau von Lebbin are also in existence. These are almost as numerous as the financial letters, but deal mainly with political affairs. Holstein maintained for years a most intimate platonic

December 1925

connection with Frau von Lebbin. This lady was a woman of no physical attraction, and poor. Notwithstanding these disadvantages, she had a circle of friends which included not only Holstein, but Bülow and several other leading politicians. These would assemble daily at her house, usually round her bed, as she was afflicted with gout and often remained prostrate for several weeks together. Her sufferings, however, did not prevent her from receiving her circle and from being the recipient of all the political gossip of the day. She was so ardent a student of the newspapers and had so retentive a memory that she became an encyclopædia of all that appeared in the German Press.

Reverting to Holstein's speculations—it is interesting to note that Holstein's financial indiscretion did not bring with it any considerable increase of fortune. He is alleged to have made for some years an annual profit of £700 or £800, but the final result of his joint speculations with his banker was that both of them were practically ruined. It would be interesting to compare this result with that attained by other politicians and diplomatists who have been notorious speculators, such as Talleyrand, Decazes, and Iswolsky.

Holstein was a man of simple life, inhabiting a wretched apartment, and indulging in few of the pleasures current in a large town. He scarcely ever dined out or went into society. His main form of entertainment was to give luncheons at Borchardt's, one of the best-known restaurants here, at which he ate and drank enormously. He appears to have had a mania for power, and was less a good friend than an extremely bitter enemy.

It is not clear to what extent his anti-English views, which were notorious and persistent, were dictated by conviction or suggested by the interest of his speculations. As the stocks in which he operated most frequently were those connected with Russia, it is possible that this connection

January 1926

with the East had something to do with his aversion to a friendly arrangement with England.

Holstein may be held to share with Tirpitz a heavy responsibility for Germany's reluctance to come to some arrangement with England, and thus contributed in an exceptional degree to Germany's disaster.

Berlin, *January* 10, 1926.—Another step forward. Germany has decided to send in her application for admission to the League of Nations. The debate in the Reichstag on this subject revealed considerable opposition, notably from Bavaria. It is said that even Hindenburg, who has proved an admirable President, is against joining the League now; he is believed to be in favour of waiting at least until September. The idea of those who advocate this course is that, by waiting a little longer, Germany can obtain larger counter-value for entering the League. I rejoin that once Germany is a member of the League she will be able to make her voice heard better than before, and that no counter-concessions can be expected for doing what is so much in Germany's own interest.

An event which greatly facilitated a solution regarding Geneva was the evacuation of Cologne. This came as a surprise here, and made an excellent impression. The opposition are always ready to taunt the Government with non-fulfilment by the Allies of the Locarno " Reactions."

Berlin, *January* 23, 1926.—Dined with Schacht last night at the Reichsbank, and afterwards had a long conversation with him. Schacht, through the success of his currency reform and the ability he has shown as President of the Reichsbank, is to-day the leading authority in Germany on all matters of finance.

Broadly speaking he is optimistic, sharing the view that the worst of the financial crisis is now past. He said that since the signature of the Locarno Pact the position

January 1926

of the Reichsbank had become stronger every week, and was now thoroughly satisfactory.

If the Locarno Pact had not been agreed to, he believes that the financial crisis in Germany might have become very serious. Up to the time of Locarno the Reichsbank was losing gold week by week. He had been seriously apprehensive about the drain on its resources. But since Locarno the tide had turned, confidence both in Germany and abroad had increased, and he was hopeful as to the future.

The black spot was the increase of unemployment, but against this might be set a return of confidence in industrial circles, marked progress in the direction of the amalgamation of the larger concerns, notably in the steel and chemical industries. Schacht has returned from the United States profoundly impressed by the industrial development in that country, and by its gigantic financial strength.

As regards industry, he is convinced that the American system of amalgamation, of massed production, and of adjustment of production to consuming power over a vast area must be adopted by Europe if Europe is to survive against American competition. He is a convinced advocate of the horizontal cartel system, and of control over production of such a nature as to prevent destructive competition and the flooding of markets beyond their consuming capacity. He said: "Europe has got to reorganise its industry on these lines. Here we are quite prepared to follow England's lead. The English are easy and agreeable to work with, provided you do not question their position and hegemony, and there would be no hesitation here in accepting the financial guidance of the City of London. Only we must feel convinced that a serious reorganisation of industry on broad lines is contemplated. The old system of innumerable small firms competing with one another and producing goods which are not required by the market has got to be modified.

CHAP. XII — January 1926

Here in Germany we have made considerable progress. During the last week steel interests have come together; the chemical industries are already amalgamated. The potash industry has saved itself by fusion and amalgamation. But more remains to be done. What is the use of thirty-eight small automobile firms competing against one another and producing at extravagant cost?"

Outside the question of the reorganisation of industry, Schacht appeared to attach great importance to Germany having some colonial outlet.[1] This, in his view, need not necessarily be under the German flag: Germany required territories from which she could obtain raw material, and to which she could send human elements which might be dangerous if they were retained in Germany. He appeared further to attach extreme importance to a development of Germany's colonial interests as a means of maintaining stability of her currency. But I was not able to follow precisely his train of argument on this subject as, if one makes an impartial survey of what German colonies did for German trade and German currency before the War, the conclusion is reached that their effect was more moral than material.

While in the United States Schacht appears to have discussed in private conversation the scheme that a German-American chartered company should be formed which would lease or purchase some of the Portuguese colonies, such as Angola.

Regarding German finance, Schacht was curious to learn what the policy of the new Finance Minister was likely to be. In his judgment, the requisite qualities are energy and will. "We do not want a clever man—we want a strong and determined man. He must reduce expenditure whether he understands the reason for it or not. I would much sooner see resolution than intellect."

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[1] Since the Treaty of Versailles I have never been hostile to German Colonial expansion. A liberal policy in this regard, on the part of England, would do much to strengthen friendly relations between the two countries.

January 1926

SCHACHT is a keen supporter of Locarno. Not only does he think that without Locarno German finance would have fallen into a catastrophic position, but he believes that a Locarno solution can be extended, without long delay, to some arrangement regarding the problems of Germany's eastern frontier. He is so permeated with the conviction that the existing Corridor arrangement is unworkable and that the Upper Silesian award is iniquitous that he appears considerably to underrate the difficulty of inducing any Polish Government to abandon their present position. However, I found in him, as I have found in other German statesmen of late, an increased disposition to regard the settlement of difficulties with Poland as a matter of urgent moment to Germany. So important indeed in my judgment that it would be good policy on the part of Germany to make considerable concessions, whether of a financial or commercial nature.

Now that Locarno has diminished danger on the German-French frontier, the Polish Corridor is the danger-spot in Europe.

BERLIN, *February* 2, 1926.—London complains that since the signature of Locarno, the German ministers have not done their share towards consolidation of the new relationships. They are reproached with delay in carrying out reforms in the police and in the high command. London reports that Briand has a passionate belief in Locarno, and is determined to interpret the agreement in the largest and broadest sense, but he has undoubtedly to face great opposition at home. I am constantly urging Stresemann not only to do everything which Locarno implies, but to do it in such a way as to impress public opinion abroad. But there is the other side of the situation to consider—the Government only got a majority on the vote of con-

CHAP. XII — February 1926

fidence by a mere margin, so that when I rally them on their slackness in carrying out German obligations, their answer is fairly effective: " If we had attempted more we should no longer be in office." Even as it is, the violence of the hostility against them from the extreme Right is such that it would never astonish me to hear of an assassination.

Berlin, *February* 3, 1926.—Stresemann discussed the general position yesterday, particularly with reference to Chamberlain's apprehensions regarding Alsace-Lorraine and the statement that the German Government had not abandoned a foot of German territory.

He said: " The constant reserves I make about the western frontier apply much more to Eupen-Malmedy than they do to Alsace-Lorraine. As regards the latter, if it was offered back to Germany to-morrow I would not accept it. It would create difficulties for us, like Ireland for England.

" As regards Eupen-Malmedy, it is not impossible that we shall arrive at an arrangement with the Belgians under which, for financial considerations, they would hand us back this district. It is not one of any considerable importance."

Stresemann was confident that he could carry everything through in the Foreign Affairs Committee, and that Germany would send her application to the League of Nations for membership at latest on February 9. He selects this day, as it is the anniversary of the despatch of the German Pact offer to Paris, and he asked me to lunch with him in commemoration of that event. He added: " What a mad year (tolles Jahr) we have had. Think how vast the progress has been and what an outstanding landmark the work of this year will make in history. I recollect so well when you spoke to me about the iron curtain idea. It was while I was sitting to Augustus John for my portrait. That gave precision to the negotiations."

February 1926

Berlin, *February* 3, 1926.—Schubert is indignant at Chamberlain's complaint that the German Government have been behindhand in carrying out the spirit of Locarno. He said: "We have done much more than appears on the surface, and we could not have done more than we have without imperilling our whole situation and probably without being defeated. I will give you a note on the various points showing you how considerable the progress made has been."

Berlin, *February* 10, 1926.—Repercussions from Locarno continue satisfactory. The President has received numerous telegrams from associations and municipalities in the Northern Rhineland, thanking him for action which has led to the cessation of the occupation. He is the more pleased by these expressions of gratitude because at an earlier stage so many of his old comrades in arms had criticised him for endorsing Locarno. There is no doubt that the President regretted deeply the fact that the National members had left the Government, and I am informed that he has reprimanded the National leaders for having made so great a mistake. Their only reply to the President has been that electoral interests render their resignation compulsory. They would have lost all votes in the country districts had they remained.

Everyone who approaches him says that the President has learnt a great deal about political life during the last few months. A fine achievement for a bluff old soldier of seventy-eight.

Berlin, *February* 15, 1926.—It is alleged here that a close agreement with Yugo-Slavia against the "Anschluss" is contemplated by Italy.

On the other hand, Austrian circles who favour the "Anschluss" put it about that Italy at heart is not as hostile to the "Anschluss" as appearances suggest. It

February 1926

is surmised that she would agree to some "combinazione," provided she obtained for the Brenner frontier a Pact of Guarantee similar to the Western Pact.

I HAVE had nothing to confirm this from any Italian source.

BERLIN, *February* 17, 1926.—Eric Drummond, the Secretary of the League of Nations, has been here for three days, and has had several long talks with Stresemann and Schubert. Everything appears to have passed off well, for Drummond is a man who raises no unnecessary difficulties. He has done his best to meet the German wishes concerning new appointments in the Secretariat.

REGARDING the increase in the Council, there are divided opinions: towards Spain itself—more friendliness, but some apprehension at the admission of Spain in March which would facilitate the admission of Poland in September, and against the admission of Poland both Luther and Stresemann are vehement.

STRESEMANN in high spirits at the idea of going to Geneva. He likes the adventure, and is curious to see what the Geneva atmosphere really is.

CHAPTER XIII

FEBRUARY—MARCH 1926

Sweden's opposition to increased number of Council of League of Nations—German delegates leave for Geneva—Poland and the League of Nations—Failure at Geneva—Stresemann's dislike of Geneva—Echoes of Rapallo.

THROUGHOUT the proceedings of the special session of the League Assembly the British Press, without distinction of party, had been unanimous in opposing the extension of the League Council by the granting of permanent seats to secondary Powers like Spain, Brazil, and Poland. On the other hand, they had praised the Swedish Government and its delegate at Geneva—Dr. Undén—for their unrelenting stand against the grant of a new permanent seat to any Power but Germany. British feeling in support of Dr. Undén was crystallised rather acidly in the phrase ascribed to Professor Gilbert Murray that "England expects every Swede to do her duty."

CHAP. XIII
February 1926

BERLIN, *February* 22, 1926.—Received a letter to-day from London saying that the opposition of Sweden to the increase in the number of the members of the Council of the League of Nations is such that there is little chance of there being unanimity on the Council in March. Indeed, it is thought that even if the Council were unanimous, the necessary two-thirds majority in the League would not be available for the election of Poland. Thus the admission of further members cannot be taken in March, since unanimity is required.

THE conclusion is drawn at the Foreign Office that the Germans have foolishly put themselves forward as antagonists of Poland, when adequate resistance would have been afforded by others. But I doubt whether—if Germany had not protested so strongly against the extension of the Council—there would have been any effective check to that proposal.

FRENCH influence at Geneva and elsewhere would have

CHAP. XIII

February 1926

been sufficient to carry the measure through. Even the strong Press opposition which has developed in England, supported by all the leading authorities on the League of Nations problem, would hardly have found expression, unless Germany had taken the lead. Sweden's voice would either not have been raised or no heed would have been given.

As regards the position here, even if Luther and Stresemann had not been hostile, there would be a unanimous vote against Germany entering the League without ensuring her permanent position as a Great Power on a non-watered Council. To be on a Council with increased members would not give Germany that status among the Great Powers which is one of her main objects in joining the League.

The argument that Germany and Poland are more likely to compose their differences if they are colleagues as permanent members of the League Council is superficial in the extreme, and shows little knowledge of human nature in general and Polish nature in particular.

The more I hear of what goes on at Geneva, the more inclined I am to believe that French influence and Catholic influence there are the dominant forces. England only gets her way when public opinion at home awakes to the danger and returns a dogged "No!" The fundamental good sense of the English people was never shown to better advantage than in regard to this matter of the dilution of the League Council. It was also strangely right when refusing the Protocol. In each case our delegates had been talked over abroad: it remained for insular instinct to pull them back.

A curious effect of the controversy has been to make public opinion—particularly German National opinion—alive to the advantage of Germany being a member of the League. As France and Poland dislike Germany's admission to the League so much, her presence on the Council,

February 1926

it is thought, must obviously be to Germany's benefit. A simple form of argument.

THE result of this feeling is that German National opinion, which had been strongly hostile to joining the League, is now more inclined to consider that step as political. It is quite possible that the German National Party will, before long, be suing for readmittance to the Cabinet on the basis of a belated conversion to Locarno and Geneva.

BERLIN, *March* 5, 1926.—Stresemann starts for Geneva full of confidence and spirits. I constantly tell him that he will have great difficulties there, but he replies cheerfully, "Obstacles are made to be overcome."

I DOUBT if there is any statesman in Europe who enjoys office more or who worries less over difficulties and attacks.

TALKING of Bismarck, who declared he had had only one happy day in his life since he came into high office, Stresemann said: "That was his own fault. He went away for three months every year to Varzin, and, except for quarrels with his head forester, there is no reason why he should not have enjoyed himself thoroughly. Besides which, all these people who write memoirs make out they have enjoyed things much less than they have in reality—there is a good deal of pose in these confessions."

STRESEMANN is still an enthusiast about the Crown Prince: he declares that on several occasions lately he has shown great wisdom and moderation. At some regimental dinner the other day he forbade criticism of the present German Army, and even of the German Government in his presence—particularly of "Uncle Gustav," as he called Stresemann.

I ASKED if the Crown Prince took a considerable interest in politics and exercised any big influence. Stresemann said "Yes." He regards the Crown Prince as sensible politically, and attaches no importance to his supposed vagaries with women. "Even if these are true," he said, "what political importance have they?"

March 1926

There is no doubt in my own mind that Stresemann was originally in favour of the restoration of the monarchy in Germany. Whether he now thinks the time is not yet ripe or whether he has modified his original views, I cannot say. I believe that he considered the Imperial solution as being most consonant with the spirit of the German people.

On another subject Stresemann was interesting—duelling between students corps is more prevalent now than ever; more prevalent than before the War. He himself is unhappy, because neither of his sons had joined a fighting corps, both preferring to keep their faces unslashed.

The minor aristocracy are perhaps the strongest supporters of the custom. They send their sons, particularly their second sons, to Bonn, where they join the Bonner Preussen Corps or the Borussia Corps. There they meet and make friends with men of their own class, and there is a marked tinge of snobbishness in the whole business. The head of one of the great families here was asked if he was sending his sons to Bonn. He replied: " That is unnecessary for me."

Berlin, *March* 6, 1926.—The German Delegation left at ten o'clock last night for Geneva—Luther rather troubled and anxious about the outlook; Stresemann in high spirits, preparing for a long sleep in the train, with a bottle of good wine under his arm.

This morning comes news of Briand's resignation—which is a heavy blow to the prospects of the League of Nations and to those who anticipated a beneficial result from Germany's entry therein. But, apart from this unforeseen event, I am not confident that the proceedings at Geneva will run smoothly. The danger is real that the League of Nations will discredit itself. The worst result of the fault Briand and Chamberlain made in admitting the candidature of Poland for a seat on the Council has been to diminish

March 1926

the prestige of the Great Powers, and to open the field of contention as to their precedence and authority. Once an enlargement of the Council beyond world Powers is considered, several countries have equal or better claims than Poland. The Government of each will be compelled by public opinion to demand similar treatment to that accorded to Poland. Individual representatives at Geneva may realise the danger, but the public opinion of their several countries will be too strong for them. It is quite possible that even on this occasion Brazil and Spain will make difficulties about Germany's entry or Germany's position as a permanent member of the Council.

To contend that to have a standing quarrel with a Great Power on the Council entitles a country to a seat on the same Council is worthy of Alice in Wonderland. Admit this principle, and cats will, in future, scratch duchesses in order to be admitted to their tea-parties.

If there is any difficulty either about Germany's entry or about a permanent seat on the Council without other addition to that body, the German delegates will have no option but to withdraw the question of Germany's entry. However they themselves might regret such a step, there would be no chance of their obtaining the approval of the Reichstag if they entered upon some compromise.

The German papers this morning are full of declarations that no compromise is possible. This will generally be understood as propaganda designed to impress the other side, but it may be genuine, and I believe that the German delegates are powerless in the matter. They will be disavowed if they flinch.

Negotiations regarding an Air Convention, which have been going on in Paris for the last two months, have now reached a point where agreement appears possible, except on one question, namely, the number of German military or naval officers who will be allowed to learn flying.

Both the Allied and the German Delegations in Paris are

CHAP. XIII

March 1926

exhausted and irritated owing to the long discussions they have had, and the German Government quite wisely, I think, have now decided to make their new proposals in Geneva and not in Paris.

Somehow or other, negotiations in Paris are apt to go wrong, and agreement is seldom arrived at. The prevailing mentality there is charged with prejudice and suspicion —non-existent dangers are apprehended, and unreasonable conditions imposed. One of the most urgent reforms in Europe is a cessation of the practice of locating Conferences on German affairs in Paris.

Negotiate all matters as far as possible on the spot, and not at a distance. That is one means of avoiding error. The Reparation question would have been settled by 1921 if the Reparation Commission had sat in Germany. Disarmament would have been completed years ago if the Ambassadors' Conference had occasionally visited Berlin. The individual in Paris may seek to be impartial, but the atmosphere overpowers him. The Press knows too much —within forty-eight hours, everything percolates to it, and the comments made, while always clever, are seldom helpful. It requires superhuman determination and constancy to persist in resisting French dialectic and French eloquence in the City of Light.

As far back as September 24, 1924, the German Government —through its diplomatic representatives—had sounded the Governments of the various members of the League Council as to the attitude they were prepared to adopt towards her prospective candidature for a permanent seat on the Council. With the single exception of Brazil, the replies were all clear-cut and satisfactory in character.

The Brazilian Government undertook to "examine impartially and in a conciliatory spirit Germany's aspirations," adding, however, that "the German demands ought not to be treated from Government to Government, but should be preferably laid before, and discussed in concert by, the members of the League together at its seat." Germany somewhat hastily interpreted this declaration at the time as an assurance that Brazil would

March 1926

support her eventual claim to membership of the League and its Council. And it was not until the end of February 1926 that the German Minister to Brazil was informed by the Rio Government that the German attitude was regarded by that Government as obstructing Brazil's claim to a similar seat. Even before this date, however, a grave controversy had been raised, both in the Chancelleries and the Press, on the vexed question whether, were Germany accorded a permanent seat on the League Council, certain Powers would not be entitled to claim an equal privilege. The chief claimants in this respect were Spain and Poland, although China and Persia also displayed no undue modesty. Madrid's demand was based on a rather vague assurance given to Spain some years before, that "in suitable circumstances His Britannic Majesty's Government would support the renewal of her request to a permanent seat on the League Council." King Alfonso's Government held that the "suitable circumstances" had now arisen.

The Polish claim was naturally to find support in France. Indeed, the question was broached on January 28 in Paris in the course of an informal conversation between Sir Austen Chamberlain and M. Briand. The latter urged acceptance of the Polish claim on various grounds, including the following: (1) Germany and Poland were more likely to settle their differences in a friendly way if they met on a footing of equality at the League Council; (2) in Poland's absence from that body, the advocacy of her case devolved generally upon France—a fact which tended to increase the difficulties in the way of Franco-German harmony; (3) from a French standpoint, Poland's admission to the Council would counteract the withdrawal from it of France's Belgian allies. Sir Austen agreed that he thought a good case might be made out for the Polish claim, but that he was not authorised to pledge the British Government in any way on the subject, although he would gladly report M. Briand's views.

The news that other Powers besides Germany intended to press their claims to permanent seats on the League Council in a manner which would involve the enlargement of that body—and might even thwart Germany's admission if their own demands were not conceded—created a big stir throughout two continents. Various Powers, according to their political alliances and groupings, took sides for or against the admission to permanent representation on the Council of other Powers than Germany. While British public opinion inclined to the

CHAP. XIII

March 1926

negative, Sir Austen himself manifested in his speeches to the House of Commons a very different attitude. Sweden, with the approval of the other Scandinavian States, took a definite stand in support of the German contention.

It was in these difficult and dangerous conditions that the League Assembly met early in March 1926. A fortnight was spent by representatives of the League Powers in negotiations of a private character designed to prevent a breakdown of the Assembly on this thorny problem of permanent seats. Spain showed a certain readiness to recede from her former intransigeant position, and M. Briand—on France's behalf—sought to secure the withdrawal of the Brazilian as well as of the Spanish candidature, whilst continuing to press that of Poland. Brazil, however, remained adamant, her representative declaring, upon strict instructions from his Government, that, unless Brazil was admitted simultaneously with Germany as a permanent member of the League Council, she would veto Germany's candidature to that position.

Finally, on March 17, the Assembly itself was summoned, and expressed vigorous dissent from the Brazilian attitude. Owing, however, to the firm refusal of the Brazilian delegate to budge one inch from his instructions, and despite private appeals addressed by cable to the Brazilian President by the leading delegates of the Entente, the Assembly was unable to proceed with the election of Germany, and adjourned, after passing the following resolution moved by M. Briand :

" The Assembly regrets that the difficulties encountered have prevented the attainment of the purpose for which it was convened, and expresses the hope that, between now and the September session of 1926, these difficulties may be surmounted so as to make it possible for Germany to enter the League of Nations on that occasion."

This resolution was strengthened by the joint declaration of the chief signatories of the Locarno treaties in the following terms :

" The representatives of Germany, France, Belgium, Great Britain, and Italy met to examine the situation resulting from the difficulties which have arisen and which hinder the accomplishment of their common wishes. They take note of the fact that they have reached agreement and have overcome obstacles which had at one moment arisen between them. If, as there seems reason to fear, the above difficulties persist, representatives of the seven Powers who signed the Protocol of Locarno would regret not to be able at this moment to reach

> the goal which they had in view, but they are happy to recognise that the work of peace which they had realised at Locarno and which exists in all its value and all its force remains intact. They remain attached to it to-day as yesterday, and are finally resolved to work together to maintain and develop it. They are convinced that on the occasion of the next session of the Assembly difficulties which exist at this moment will be surmounted, and that the agreement which was reached in regard to conditions ' for the entry of Germany into the League of Nations will be realised.' "

Berlin, *March* 12, 1926.—The present position at Geneva is undoubtedly critical. If Brazil maintains her attitude and carries out her threat to vote against the admission of Germany to a permanent seat on the Council, the German delegates must perforce withdraw their application for entry, and the whole negotiation, possibly involving Locarno, may be brought to the ground.

I do not believe this will occur. The loss of prestige to everyone would be too great. Chamberlain's admirable work at Locarno would be annihilated, Briand's dream of a pacified Europe would evaporate, and the immense advantages which Germany undoubtedly derives from the Western Pact would be abrogated. Superhuman efforts will therefore be made to save the situation, and even if Geneva fails to reach an agreement, Locarno will subsist in fact if not in form. If the crisis ended fatally for Germany's entry, a new meeting would have to be called to re-sign Locarno without the clause which makes its coming into force dependent upon Germany's joining the League.

The French Ambassador, who takes, as usual, a moderate and sensible view, says that everybody is right. Examined individually, the claim made by each Power is sound, but if each insists on full attainment, no agreement is possible. He would like to stand at the door of the Council Chamber, and ask each delegate, " Have you fixed instructions which will prevent your making any concession as a result of

March 1926

discussion? If you have, kindly do not enter. There is no reason for your presence in the Council Chamber." This is just the opposite of Bismarck's dictum that an International Conference must never be called without previous agreement between the principal parties on major points.

The German delegates at Geneva seem to have kept cool, adopting the attitude that the quarrel does not really concern Germany, but is rather one between the old members of the League. While it is, of course, possible to maintain this view, it is by no means absolutely true. If Germany had not insisted upon her immediate election as a permanent member of the Council, and had not made it a condition that no other appointment should be made at the same time, none of the present controversy would have occurred. I do not mean by this that Germany was not tactically right. I merely traverse the statement that Germany can claim to be an innocent bystander and a *tertius gaudens*.

The more doubt there is about Germany's entry, the keener the desire here to enter.

Berlin, *March* 16, 1926.—At 6.30 to-night the Wilhelmstrasse rang me up to say that they had just received a telegram from Geneva from the Secretary of State, saying, " Alles ist kaput " (There has been a complete breakdown). The cause of the collapse of the negotiations is the persistence of Brazil in her intention to vote against the admission of Germany to the Council. Kopke added that the German Delegation will leave Geneva to-night or to-morrow morning, and will pay a visit of ceremony to the President of the Swiss Republic at Berne on the way here. The Locarno Powers are engaged in drawing up a joint communiqué which will be signed by them. The policy of these Powers is apparently to reaffirm the Locarno grouping. It may well be that if the

March 1926

collapse of the negotiations at Geneva leads to the tightening of the Locarno bond, the result will be even more favourable than would have been Germany's entry into the League.

THE tacit admission of the claim of minor Powers to rank with Great Powers, the outburst of intrigue, of bargaining, and of recrimination which followed, have revealed the inherent defects of the League constitution. It was always unwise to attribute to small Powers an equal vote and an equal influence with the great world Powers. The inexpediency of this theoretical equality was to some extent veiled, or perhaps corrected, by the establishment of the Council. But the moment the right of Poland to a permanent seat was supported by France and by Chamberlain, the disproportion between real and attributed weight was bound to blaze forth. Briand showed much skill in endeavouring to solve the crisis at Geneva. Apart from Poland, it is clear that he promised at one time or another France's support to Brazil in putting forward her claim to a permanent seat. There can be no doubt that the Minister of Foreign Affairs in Brazil about March 3 was convinced that he would be supported by France's influence at Geneva, and that he derived great encouragement from Chamberlain's Birmingham utterance and from Chamberlain's favour of an increase in the Council.

THE belief here is that Italy also promised her support to Brazil, and it may be the case that this Italian support has at the last moment led to Brazil's reasserting her demands and deciding to vote against Germany on the Council. For it is hardly possible that Brazil would have acted thus, knowing the grave crisis in the League which it must bring about, unless she had received a large amount of secret support from one side or other of the Atlantic.

BERLIN, *March* 19, 1926.—The Geneva Delegation returned yesterday. I had suggested to the French Ambassador that we should meet them at the station, a course

CHAP. XIII

March 1926

to which he agreed. It appeared to me that this act of courtesy was in harmony with the farewell speeches of Briand and Chamberlain at Geneva, and was of a nature to strengthen the reversion to the Locarno basis. Although Geneva had failed, Locarno was in force. Moreover, as the German delegates had come back after what is termed by their critics a resounding failure, it would be a friendly act to give them moral support; it might assist them in the debate in the Reichstag next week. Luther showed no signs of wear, but I thought Stresemann tired and rather nervous. I only had a few words with him, and he said nothing of interest except that Geneva had been the greatest possible test of patience, that the climate of Geneva was trying, there was no iodine in the air, everyone got headaches and felt good for nothing. Stresemann evidently felt that his whole policy was menaced, and that Geneva had been for the moment, at any rate, a great fiasco, but he asserted that personal relations throughout the discussions had been excellent. Some of the Press here had suggested that the Locarno Powers should re-sign the Locarno Agreement, leaving out those clauses which necessitate recourse to the League of Nations. The idea underlying this suggestion is sound enough, but I doubt if it is possible to modify the text in an appropriate manner. Locarno involved recourse to the League of Nations in too many eventualities, and can hardly be re-signed in anodyne form. The best course appears to be to consider Locarno as morally in force. The papers of the Right have declared in favour of a vote of non-confidence next week, but there does not seem real danger of a Government defeat.

Berlin, *March* 20, 1926.—Reliable friends just back from Geneva give accounts showing extraordinary confusion there, and revealing the extreme uncertainty as to the result which existed up to the last moment. Half an hour before the final meeting of the assembly on Wednesday, the

CHAP. XIII

March 1926

German Delegation were told to hold themselves in readiness in case the attitude of Brazil permitted the entry of Germany into the League, together with attribution of a permanent seat on the Council. It appears that at the meeting of the Council, Chamberlain, as Chairman of the Acceptance Sub-Committee, said they found Germany's case in order. When the Brazilian delegate intervened with the statement that he could not agree to Germany being appointed a permanent member, Briand and Chamberlain expressed surprise and indignation, exclaiming, " What do you say ? " " What is the meaning of this ? " However, surprise and indignation were of no avail. The regulation is absolute, and Germany could not become a permanent member except through unanimity. The most ingenious proposal was that made by the Albanian delegate, who suggested that Brazil was only on the Council as representative of the Assembly, and that as she had ceased to represent the majority of the Assembly, her mandate was at an end.

My informants are unanimous that a large majority of the Assembly favoured the admittance of Germany and the non-increase of the Council except through Germany's membership. They say, " That is certainly the feeling of a large majority to-day. It is doubtful what they will think six months hence." They are not at all clear as to what the Commission appointed to report on the enlarging of the Council will decide ; nor confident about agreement. The chances are that difficulties six months hence will be as great, if not greater, than to-day. Schubert said, " We must await the debate here, and the debates in London and Paris. Then perhaps we can decide." Even as to Germany's accepting the invitation to take part in the work of the Commission, there is not any clear opinion. Germany could either abstain altogether on the ground that she had not joined the League or adopt the opposite view and say—" As the feeling of the Assembly was so

CHAP. XIII

March 1926

much in my favour, I shall act as though I had been duly elected, and co-operate in the work of the Commission to the best of my ability." It is doubtful, however, whether the latter course would be endorsed by public opinion in Germany.

Berlin, *March* 22, 1926.—The recent negotiations at Geneva have produced this paradoxical result—the bargaining, the intrigues, and the compromises of the last fortnight have convinced the partisans of *Realpolitik* that they cannot afford not to be there. Hitherto, they had regarded Geneva as an assembly of idealogues—now they take the opposite view.

It may be of interest to place on record a broad appreciation of the effect of the Geneva meeting upon the position here, both as regards internal and external politics.

First as regards the former. There is no doubt that the German National Party looked forward with confidence to the entry of Germany into the League of Nations as an event which would enable them to reconsider their position as regards joining the Government. A considerable amount of private conversation is known to have taken place between the Chancellor and the German Nationals ; the object of these conversations is alleged to have been to sound the former as to some combination after Geneva, which would eliminate Stresemann from the Government, and substitute for him a German National representative. The event at Geneva has upset these calculations.

For some reason which is not yet apparent the German Nationals are for the moment even more hostile to Luther than they are to Stresemann. Their speeches in the Reichstag are evidence of this. Moreover, it is rumoured, with a certain show of authority, that they are engaged in discussing some new combination under which Stresemann would become Chancellor, while Luther would be relegated

March 1926

to an inferior post. In this event one German National would be appointed to the Ministry for Foreign Affairs, and another to the Ministry of the Interior. I do not believe that the combination has any chance of success, but the fact of its being discussed shows how considerably things have changed during the last month.

In the realm of foreign politics also the recent meeting of the League has brought about considerable confusion. Before Geneva there was a vague intention to give Russia some sort of consolation if she failed to dissuade Germany from entering the League of Nations. The idea was discussed in various forms—one being a Treaty of Neutrality—but nothing very concrete was decided upon. The object in view was to maintain the approximate balance between East and West which is such an essential feature of German policy. Germany being still outside the League, it is now thought that the signature of a Neutrality Treaty with Russia would incline the balance too much to the East, the desire in dominant circles still being to maintain a certain preponderance of the Western inclination without undue alienation of the Eastern counterpoise.

It is consequently said to be probable that the proposal to conclude some compensation agreement with Russia will be postponed, provided that nothing occurs to render " reinsurance " in that direction specially urgent.

In this connection one must remember that at Rapallo the German Delegation was stampeded by the Russians, and made to believe in all sorts of dangers, which had no real existence. What happened once may happen again. Directly German circles experience disappointment in the West they are apt to turn to the East for consolation and support.

The Press has been silent on the subject, but I am convinced that the problem of relations with Russia is exercising Government circles to an unusual degree.

Berlin, *March* 22, 1926.—A long conversation with Stresemann yesterday on his return from Geneva. People generally have thought him depressed, but he seemed lively enough, talking freely and amicably on the basis of two or three glasses of port before luncheon—a régime I find trying, but which is conducive to conversational interchange.

He said Geneva was an odious climate, he had passed a very disagreeable ten days. The atmosphere was depressing, and he had felt ill all the time. The bright spot in the negotiations was Briand, who was full of vivacity and ready to seek at once a new solution if the first was found impracticable—not in the least obstinate, and extremely ingenious. Briand was badly served by his subordinate colleagues, who made the most absurd proposals with regard to Germany. Paul-Boncour he was suspicious of, believing him to be hostile to Locarno. Stresemann said, " When a Socialist goes wrong, he is worse than anybody."

Chamberlain he found beneath his usual level, too much of a schoolmaster.

Chamberlain had lectured the Germans, saying, " Whenever we make a concession to you, instead of acknowledging it you ask for more." Briand at once interjected, " By no means a bad system."

Stresemann admitted that Chamberlain got on much better with Luther than with himself.

Stresemann said he had had great difficulty with his own party on his return from Geneva. They reproached him with having promised them a new spirit after Locarno, a spirit of international goodwill and reconciliation. Instead of that, they found Geneva not a temple of peace, but a market where nations were bought and sold. Stresemann had replied, " That is just the reason why I want to be there. If dealings are going on I want to have a seat as a broker. Moreover, the opportunity of contact with the statesmen of other countries is invaluable."

March 1926

German public opinion, after the fiasco of the Geneva meeting, has become not less favourable to the League of Nations than it was, but rather more favourable. The German Nationals now realise that they can only come into the Government after Germany has carried through the step of entering the League. As long as the question of entry is under discussion, they cannot well alter their present policy and favour entry. Once Germany is in the League, they can, after a decent interval, join the Government, and that is what they really want. The current belief here is that Briand anticipated (perhaps desired) a sharp negative from Chamberlain as to Poland's claim to a permanent seat. Such a negative would have enabled Briand to make his excuses to Poland without any desertion of her cause. But contrary to expectation A. C. adopted the proposal, and blessed it with his personal approbation. So Briand found no escape from the old love, and compromised the Geneva meeting through compulsory fidelity. Such is the story. I do not vouch for it, but the case is one where either of two explanations may be valid.

Berlin, *March* 27, 1926.—Stresemann declares that the whole spirit of Locarno is now being infringed. Pacts and alliances are reported as under discussion between various countries, Serbia, Italy, and France, the border states of the East, and Poland, all, according to German views, more or less hostile to Germany. I do not know how much truth there may be in these rumours. Stresemann says it is all very well for the seven Powers who were at Locarno to talk of the spirit of that place, but forty-one Powers were not there, and they neither know nor care about the spirit that animated the Locarno discussions.

CHAPTER XIV

MARCH—APRIL 1926

An entertainment in the theatrical world: Art before sustenance—My intended resignation — Locarno the corner-stone—A new German-Russian Agreement—New Polish-Roumanian Treaty—An explanation of the Brazilian attitude at Geneva—Chamberlain on the German-Russian Agreement.

CHAP. XIV

March 1926

BERLIN, *March* 29, 1926.—Yesterday to an interesting entertainment at almost the only house in Berlin which possesses old-world charm. This stands opposite the Kaiser Friedrich Museum, built some time in the eighteenth century, and now leased by the Government to Max Reinhardt, the celebrated theatrical producer. He does not live there himself, being, like many other people in Berlin, either divorced or separated from his wife, but she lives there and entertains from time to time a small number of artistic people. Under her theatrical name of Elsie Heims she is well known to the artistic world, and has a considerable reputation. Her quarrel with Reinhardt makes it difficult for her to obtain the best theatrical engagements, but she is appearing this week in Lonsdale's *The Last of Mrs. Cheyney.*

YESTERDAY the guest of honour was the widow of Wedekind. Herself an actress, she is now principally engaged in supervising the introduction of Wedekind's works in Germany and abroad. Although some of these works are amongst the most crude and superficially the most immoral which have appeared on any stage, she brings a vast amount of almost religious devotion and admiration to the task.

IN appearance a pleasant and unusually demure Viennese, she proposes to act Lulu—the part of an incarnate devil, whose most venial transgression is prostitution. Her daughter of eighteen is cast for one of the subordinate rôles, most of which are concerned with sexual aberration.

The entertainment was of a peculiar kind. I came in about a quarter of an hour later than I had been invited, and was formally introduced to each member of the assembled company. The Reinhardt schooling in clear diction resulted in this, that each introduction was enunciated by the hostess in the tones of a toastmaster. Otherwise the entertainment was on agreeable lines. We sat round an artistic dining-room table in comfortable armchairs, the guests consuming enormous quantities of whipped cream, with coffee and curaçao.

Frau Wedekind is probably about forty-five, but she looks much younger. She spoke of her husband as if he had been an apostle of righteousness, and evidently regards his creations as works with an exalted moral tendency.

The night before I had been to a reception of a peculiar Berlin kind at the house of a rich and artistic Jew. Invitations for 8.30 suggest to the inexpert that dinner is intended, and that it will be the first item on the programme. But certain artistic circles here act otherwise. A long delay usually ensues. The programme involves music first. The *prima donna* generally arrives late—she finds the conditions in the room unsuitable for singing—other arrangements, entailing displacement of heavy furniture, have to be made, so that the concert does not commence until some time after nine o'clock. How long it continues depends upon the decision of the hostess, but the Philistine foreigner who came expecting dinner at 8.30 is often kept without sustenance or a modest quencher until 11 or 11.30. A dinner-supper follows, and there is dancing. Provided one is prepared for it, such an arrangement of the evening is in some respects less material and more artistic than the usual form, where eating and drinking absorb the first two hours. But one must come prepared.

March 1926

Berlin, *March* 30, 1926.—I have agreed to remain here until the autumn, and am glad to have done so, as I hope by then Germany's entry into the League will be an accomplished fact. The Dawes plan is working smoothly—Locarno still promises well notwithstanding Geneva. My ambition is to complete the trilogy, and to quit Berlin with German delegates installed on a fair basis in the League of Nations.

Berlin, *April* 3, 1926.—While there has been a setback at Geneva over the Council business, there is no weakening in the attitude of the German Ministers, nor any departure from the conviction that the Locarno spirit must be the guiding principle of policy. Concessions may have to be made from time to time to popular feeling, but these will be tactical. Both Luther and Stresemann consider Locarno the corner-stone of European reconstruction and of their own achievement.

Berlin, *April* 3, 1926.—Similarities of method between Germans and Americans are constantly borne in upon one here. Prevalence of industrial discipline, vast organisations, suppression of individualism.

The French constantly revert to the theme that the Americans were not in the Great War on the same basis as the European Allies. The Americans are inclined to say that they came in in the interests of justice, and justice alone. The truth is that they were alarmed at the possibility of a German victory which would have meant the triumph of military despotism. The military despotism they feared in 1917 from the German side they now fear from France, who they consider militarily predominant. The Americans look back on the War with little bitterness, with less bitterness even than ourselves, although the rapid disappearance of resentment both on the English and German side is remarkable. Economically America gained

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GEORGE TCHITCHERIN

April 1926

too much in world predominance through the War to feel any permanent resentment regarding it. To her it gave the economic hegemony which London lost.

The conception of society in Germany is certainly more materialistic than in France and England. Force and financial success are the two deities worshipped. Idealism is confined to a small minority, which by no means includes all professors—and which carries little or no weight. A parallel is sometimes drawn in this respect between America and Germany. Both appear to me animated with similar ambitions, and to measure success almost exclusively by wealth. The new industrial system goes a long way to destroy individual independence, and to discourage personal initiative in all but a few leaders. The Germans will adapt themselves to American industrial methods much more easily than the English. In business there is a temperamental affinity between them.

Berlin, *April* 5, 1926.—My French colleague called this evening.

His first question was, "What do you think of the German-Russian Agreement?"[1]

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[1] It was perhaps inevitable that the grave rebuff suffered by Germany on the threshold of the League should have caused German public opinion and the leaders of the German nation to turn their gaze once more eastward—the traditional policy of reinsurance. It was an equally foregone conclusion that M. Tchitcherin and the Soviet Foreign Office should once more seize upon German disappointment with the Western Powers to insinuate the benefits of increased and more intimate Russo-German co-operation in the political as well as the economic sphere.

The outcome of this twofold tendency was the signing, on April 24, 1926, of a new Russo-German Treaty of friendship and neutrality which, in the first instance, caused only a little less concern to the Chancelleries of Western Europe than the previous Rapallo Treaty. Two of the clauses in the new Treaty aroused considerable suspicion and resentment in both Allied and League circles. One was the clause in which Berlin and Moscow agreed to communicate to each other and consult each other about any international matter affecting the interests of both nations. The high contracting parties,

April 1926

I SAID, "Does such an agreement exist? I have only heard of it as a probability and an intention—not as a matter concluded." He replied, "According to Hoesch's communication to Briand yesterday, the German Government have the intention of signing before the end of the present month." Hoesch declared that this would not be done as a result of the failure at Geneva, nor did it indicate any intention of abandoning the Locarno policy. It had been decided upon by the German Government as a result of Russian pressure, the Russians having declared that they would resume their complete liberty of action towards Germany if Germany decided to wait until after September before concluding an agreement with Russia.

THE communication made by Hoesch to Briand concerning the proposed clauses of the agreement was identical with the terms already known to me, with one important addition, namely, a general engagement to discuss together all matters of common interest (" Engagement général de se concerter sur toutes les affaires communes "). Nothing about such a clause was said to me. It may be the most important of the whole draft convention, and certainly the one which will be most severely criticised in France and England.

THE French Ambassador did not appear particularly alarmed by the idea of this projected Convention. It seemed to him more directed against England than against France, as the latter's relations with Russia were at the present moment quite friendly, outside the question of the debt.

HE was anxious to know what the effect would be on English public opinion. I replied that it would be badly

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moreover, undertook not to become parties to any move by other countries involving prejudice to the political or economic interests of their co-signatories. This feeling, notwithstanding the effervescence created originally by the Russo-German Treaty, soon subsided, and none but the most modest and platonic protests were lodged with the German Government by the respective Ambassadors in Berlin.

April 1926

received at first, and would be considered as a device for Germany to pay out the Powers for the way she had been treated at Geneva.

Personally, with the exception of the general clause regarding previous consultation, the proposed terms appear to me fairly harmless. But "a general agreement to concert together on all matters of common interest" goes uncommonly near an alliance.

Margerie did not know anything about the Polish-Roumanian Treaty [1]—had not heard any of its details—did not know whether it was or was not a mere repetition of the 1921 Treaty, and had not considered its bearing upon the present attitude of Germany and Russia. He said he would endeavour to ascertain details.

He appeared to share my view, that Stresemann was only entering into this agreement with Russia because he was afraid not to.

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[1] The Polish-Roumanian Defensive Treaty of 1921 expired in the spring of 1926, and it was renewable at the close of the quinquennial period. But Poland, whose relations with Soviet Russia had appreciably improved, refused to guarantee Roumania, and in particular Roumania's Bessarabian province, against Russian aggression unless in return Roumania was prepared to guarantee Poland, not only against Russian aggression—which Poland herself now thought unlikely—but against German aggression.

Rather reluctantly Roumania consented to this expansion of the former Treaty of 1921 because of her continued alarm over the eventual Russian menace to Bessarabia, and because of the pressure of French diplomacy, which was anxious to bring Roumania as well as Serbia into the group of Allies, consisting already of France, Belgium, Czecho-Slovakia, and Poland.

Germany, however, naturally discerned in the amended Polish-Roumanian Treaty a new spearhead directed against herself by the French General Staff. What added to German suspicion and resentment was the subsequent publication of a series of documents constituting a very plausible military annexe to the main Polish-Roumanian Treaty.

British opinion deeply regretted the conclusion of this camouflaged old-style alliance, and held that the new Polish-Roumanian Treaty had contributed to the conclusion of the Russo-German Treaty a few weeks later quite as much as the failure of the League to admit Germany to membership. *See also* Appendix VII.

April 1926

Margerie thought that the importance of Conventions of this kind is usually exaggerated by the Press. Rapallo,[1] once thought so great a danger, had resulted in very little.

Berlin, *April* 23, 1926.—Returned yesterday from a short visit to London. At the House of Commons last Monday (the 19th) Chamberlain looked aged and worried, but he spoke without any loss of confidence, and reverted several times to the view that he had been right to favour the presence of Poland as a permanent member of the Council.

I hear that the Brazilian representative in the early days at Geneva had telegrams from his President saying: "On the whole I think you had better stand firm"; but these telegrams indicated so hesitating an attitude that Geneva came to the conclusion that, if the Polish difficulty were solved, Brazil would not stand out. They were therefore surprised and disappointed in the following week when Brazil proved so obdurate.

Other authorities with whom I have spoken in London who are perhaps better informed as to what went on behind the scenes at Geneva assert that Briand, from the first, had determined that Poland must come in as a permanent member of the Council.

Without this condition France would not tolerate Germany's election to the League and nomination to the Council.

Briand had added Spain and Brazil to the list of candidates (*a*) because he thought it easier to get three candidates through than Poland by herself; (*b*) because it would give him something to drop if his proposal met with too severe an opposition.

Apart from Briand's support, there was a considerable amount of Roman Catholic propaganda in favour of all three candidatures. Their election would have given a dominant authority to the Catholic vote on the Council.

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[1] See Appendix VIII; also vol. i, pp. 296–311.

April 1926

In the course of the discussions at Geneva, Briand realised that the meeting would be a failure unless Germany was brought in. He became therefore more disposed to compromise, but his disposition to compromise was not shared by Loucheur and Paul-Boncour, the second and third French delegates.

These gentlemen fomented indirectly Brazilian resistance, and would have been strongly opposed to the election of Germany without Poland.

The one point on which all those who pretend to know what went on at Geneva are agreed is this—that there is no immediate prospect that greater facilities will be found for the election of Germany to the Council in September than there were in March. Now that the door has been opened for other candidatures, many Powers think themselves worthy—certainly more worthy than their rivals.

As regards the Russo-German Agreement, I found Chamberlain quiet and I think very sensible. He dislikes this move on the part of Germany, but realises that opposition is more likely to aggravate the evil than to attenuate it.

He does not accept the German contention that Russia must be friends with somebody, and that it is better for her to be friends with Germany than with Poland; but, on the other hand, he does not believe in any grave danger from such amount of combination as the Russians and Germans can concoct.

Competent circles in London are alarmed at the growing hostility between France and Italy. It is said that beneath the surface the relations between these two countries are extremely bad. Both sides are suspicious. Mussolini is reported to be determined that there shall be no settlement in Tangier which does not take account of Italian claims.

Nothing has been received in London from either Bucharest or Warsaw regarding the Treaty signed between Poland and Roumania on March 26.

CHAP. XIV

April 1926

London information on this most important agreement has been derived from Berlin. There appears to be no doubt that the copy of the Treaty which I sent home at the beginning of this month is substantially correct—indeed, verbally correct.

Public opinion, not only in England, but also in Germany, has been curiously blind to the great change which this Treaty constitutes, i.e. a Roumanian obligation to defend Poland, not only against Russia—as was done in the 1921 Treaty—but also against Germany.

The Poles and Roumanians say: " This is just an indication of our attitude towards Russia "; they forget to add—" that it is an aggravation of their attitude towards Germany."

CHAPTER XV

APRIL—OCTOBER 1926

General position in Berlin—A unanimous vote in the Foreign Affairs Committee—Meeting with Sudermann—Stresemann's views on the position—Dinner at Abe Bailey's—Interview with Winston—Difficulties regarding entry of Germany into the League of Nations—Necessary basis for a reasonable settlement with Germany—Foreign Affairs Committee on Locarno—Telegram from Stresemann on Locarno—Prince Bülow on the origin of the War—Schubert's account of Geneva—The luncheon at Thoiry—Germany enters the League of Nations—Comparison of Locarno with earlier Anglo-German negotiations—Edward VII and Germany—Tributes of friendship—Departure from Berlin.

April 1926

BERLIN, *April* 26, 1926.—I suggested to the Wilhelmstrasse to-day that it was futile for Germany to ask Briand to reduce the French occupation forces just at the moment when Germany was engaged in signing a Treaty with Russia. The only possibility for Briand to bring about the reduction he desired would be for Germany to make some " beau geste " in confirmation of her loyalty to the Locarno Agreement, thus demonstrating her desire to act strictly along the Locarno lines.

THEY replied that they did not see what Germany could do. There was no foreign territory in German occupation that could be evacuated. As to the complaints which I had made respecting the attitude of the German authorities in the Rhineland, this attitude was due to disappointment at the non-reduction of the troops of occupation.

THE Polish-Roumanian Treaty, which was signed on March 26, has not aroused as much excitement as I expected, nor as much as it probably deserves. No one here knows the reasons which induced each of the countries to assume such large new responsibilities. No one knows who was behind Roumania and Poland. Was it France ? Was it Italy ? If so, what was the object ?

April 1926

Stresemann, to whom I spoke about this Treaty yesterday, had evidently not grasped its importance. He said he had been away, and had been too preoccupied by the Russian Treaty, but would make enquiries.

From the German point of view the engagement of Roumania to defend the Polish frontier against Germany—quite a new obligation, not contained in the 1921 Treaty—may not be very alarming in a military sense, but it certainly indicates some new trend of policy among the Petite Entente and associated Powers.

As regards Poland, why has she re-signed the treaty for the defence of Bessarabia, thereby alienating Russia, when she might have continued to play the card of a possible Russian-Polish Agreement, thus exercising considerable pressure on Germany? This pressure she can now no longer exercise.

On several occasions I have put it to the Germans that, while the signature of the Polish-Roumanian Agreement constitutes a menace of some kind to them, it has another clear implication. It renders the urgency of coming to an agreement with Russia less acute. A Russo-Polish alliance no longer threatens. While admitting the truth of this they say their negotiations with Russia have gone too far; outside what they say they undoubtedly feel that Germany requires some set-off for the failure of Geneva.

Public opinion in Germany is as keen now about entering the League as it was previously hesitating.

Berlin, *April* 29, 1926.—The unexpected has occurred. For the first time since the establishment of the Republic in Germany, there has been a unanimous vote in the Foreign Affairs Committee. This unanimity has been obtained on the Russo-German Treaty. Not that there is anything fundamental in the agreement, but signature shows how unwilling the Germans are to separate themselves in any absolute manner from the Russian connection.

That is an inherited belief against which the gods themselves would fight in vain. How much more the Western Cabinets?

Stresemann continues to declare that the Agreement is merely a bridge from Russia to Europe, and that, by the convention, an immense step has been made which will lead to Russia joining the League of Nations at Geneva and co-operating with the Western Powers. Personally, I am sceptical, but I rejoice to see that the Western Powers have taken the fact of the signature quietly and without lapse into nervosity.

Berlin, *May* 6, 1926.—Met Sudermann, formerly considered Germany's best dramatist, at luncheon yesterday, and was impressed by his broad intelligence, but his plays have fallen into disrepute, being considered old-fashioned and inartistic; *Schmetterlingsschlacht*, which I saw the other night, is, however, a better satire on human nature than the plays which now occupy the German stage. Modern taste appears to have gone right away from the psychological into a compound of crime, obscenity, and farce.

The continued success of Wilde's plays in Germany is attributed by the producers to alterations in the translation which strengthen the structure, and give more drama and less paradox.

Sudermann was a friend of Rathenau's, and considered him the greatest genius Germany had produced in recent years. He said his rapidity of mind was astounding—he not only foresaw what you would reply to any observation, but foresaw also his own reply and your further rejoinder. The whole Rathenau family were phenomenal in mental rapidity.

London, *July* 10, 1926.—An exceptionally interesting dinner last night at Sir Abe Bailey's, meeting most of the Generals who distinguished themselves in the Great War, as well as many of the statesmen then at the head of affairs.

CHAP. XV — July 1926

Notwithstanding the victorious issue of the War, I find great pessimism among both statesmen and soldiers. Another conclusion resulted from the dinner, viz. that it is more easy to appreciate the good qualities of your enemy than to form a just estimate of the value of your ally. The Austrians found the Germans dictatorial and rough. The Germans had considerable distrust of Austrian efficiency. On our side I doubt if the French valued at its true worth the assistance afforded by the armies of England, Italy, and Russia. Indeed, at one time the Russians were treated in France as traitors to the cause of the Allies. On the British side I find that while the great fighting qualities of the French, their élan and dash, are highly appreciated, combination with them is thought to be exceedingly difficult. In the early stages the General commanding the French Army on the right of French retreated without giving the English Commander any warning, leaving our flank entirely unprotected. On many other occasions a joint attack was planned, but in the event the English found themselves attacking alone. In March 1918 the German attack had been anticipated about the time and at the place where it occurred. Complete agreement had been arrived at between the English and French Commanders, that if either was attacked the other would support, but for five days after the initial repulse of the British the French continued to declare that the attack was only a feint and not the main effort. Pétain, on the Monday, five days after the commencement of the offensive, said that he had orders at all costs to protect Paris, which meant that he could not send troops to support the British. If the Germans had not dismounted their cavalry, nothing could have prevented them getting through to Amiens and cutting off the British from the French.

I must say, however, that in Poland in 1920, under very trying conditions, General Radcliffe and I found co-operation with Jusserand and General Weygand not only easy, but extraordinarily agreeable. The French and English Delegations, on the Mission to Poland, never had a difference, and worked in complete harmony.

Berlin, *July* 19, 1926.—During my stay in London I had several talks with the ever young and interesting Winston. We discussed many subjects.

I told him frankly my view that reversion to the gold standard on the old parity had probably been a mistake, in that it burdened the active section of the population with too great a debt to the inactive. He exclaimed that this was an abandonment of my former position. Not a very serious charge. No one who lived through the German inflation episode could fail to add considerably to previous knowledge regarding currency and its possibilities, both as regards indebtedness and as regards wages. The currency solution is probably the least objectionable method of adjusting national finance to the burdens imposed by the Great War.

Winston protested against the idea of depriving the fundholder of any portion of what was due to him, saying that such action would destroy English credit. I retorted that experience in Germany had shown that, while repudiation causes severe suffering to certain important sections of the middle class, it does not lead to any wide social disturbance. Nor does it lead, as might be expected, to the permanent destruction of the desire to save. On the contrary, in Germany the classes who have just lost their total investment in German Rentes are not a bit less disposed to save than they were before. *Experientia non docet.* As a matter of fact, what is there to do with money, except spend—which goes against a natural instinct with many—or save? Again, the slate having been wiped clean, there is less probability of a new bankruptcy in the near future. Investors ask themselves: "Is it safer to lend to 'A,' who has repudiated his debts and owes nothing, than to 'B,' who is burdened with a heavy prior charge?" That "A" has repudiated his engagements and "B" has not is esteemed a minor consideration.

Both Germany and France have adopted the Louis XIV view on these matters. In the preamble to one of his ordinances, this light-hearted passage occurs: "Il a semblé à Sa Majesté qu'à tout prendre, le paiement de la Dette Publique n'intéresse point le bonheur de ses sujets."

Churchill was keen to obtain more information regarding respective losses of the Germans on the English front and the English on the German front. He wants to treat this subject fully in his third volume, and holds that the evidence of figures goes to show that, under modern conditions, attack is unduly costly. The figures are remarkable; more especially those in the German advance on Amiens in March 1918. Leaving prisoners out of account, their losses in killed and wounded in this successful attack were larger than our losses in retreat. Conversely, in the months after July 1918, our losses in killed and wounded were much heavier than those of the Germans.

Berlin, *August* 13, 1926.—Work here is becoming dull. Comparing to-day with the months before Locarno the stakes are small, the event too certain. Then there was a great prize to be won and grave uncertainty as to winning it. To-day the big issue is the entry of Germany into the League of Nations, and this will be achieved sooner or later. That is sure.

If the tranquillity of Europe produced by Locarno is at all proportionate to the dullification of negotiations here, Europe has gained a great deal.

Berlin, *August* 18, 1926.—The eternal question of the entry of Germany into the League of Nations is still with

CHAP. XV

August 1926

us. Amongst certain groups here there is a determination that Germany shall not enter the League until there has been:

(1) A CONSIDERABLE reduction of troops of occupation.
(2) SOME agreement about the duration of the occupation of the Rhineland.
(3) AN end put to the Commission of Control.

THESE conditions are favoured in the entourage of the President, and are strongly supported from two extremes—the military clique and the friends of Moscow.

THE Stresemann policy of conciliation has now become widely popular in most parts of the country—two exceptions are Bavaria and the Rhineland, where the continued presence of the Army of Occupation is a perpetual source of irritation. Bavaria follows the Right, and members of the Right remain resolutely opposed to any policy of conciliation. Notwithstanding opposition from these two quarters, it may be affirmed that a large majority in the Reichstag is in favour of Locarno, and therefore in favour of appeasement. It is a source of satisfaction to me to have witnessed so considerable a change of public opinion during the six years I have been here.

BERLIN, *August* 20, 1926.—The position regarding Germany's entry into the League of Nations remains somewhat delicate. There can be no doubt that Stresemann is anxious to bring these long negotiations to a successful conclusion, and he is supported in this by the whole of the Cabinet. The President, Hindenburg—essentially a soldier—instinctively distrusts everything but force, and is sceptical about the efficacy of the mild idealism of the League of Nations. He is supported in his scepticism by his old comrades in arms as well as by friends on the Right. These circles have an instinctive fear that Germany's claws will be drawn when she enters the League. Any such procedure they regard as an infidelity to Mars.

As regards conditions, Germany remains firm in the claim that she alone must be admitted to the Council as a permanent member. The distinction of being elected must not be blurred by the simultaneous election of Spain, still less by that of a minor Power and rival like Poland. To suggest to any German that there is the smallest analogy between the world position of Germany and that of Poland is to compare Saturn with the satellite of some other planet.

There is grave danger that if France initiates negotiations with Spain and Poland running counter to the recommendations of the Cecil Committee, Germany will refuse to send delegates to Geneva, and will break right away from the policy. It is out of the question for Germany to be again kept waiting in a Geneva ante-room another ten days as she was last March. Even were Stresemann in favour of proceeding to Geneva public opinion will not allow him to go unless it is made quite clear that Germany's admission will be voted without opposition, and that she alone becomes on this occasion a permanent member of the Council.

Berlin, *August* 24, 1926.—My underlying convictions have been throughout:

(1) That Germany should be treated as a Great Power and not as an outlaw.

(2) That the restoration of German finances and the stabilisation of German currency were necessary preliminaries to a settlement of the Reparation problem.

(3) That Security—to be real—must be reciprocal and bilateral. The defeated in the Great War to receive the same security for peaceful development as the victors.

(4) That, as the greatest danger to European peace has proceeded from the German-French frontier, that frontier in both directions must be made inviolate, and guaranteed against aggression by international agreement and sanction.

(5) That a durable pacification of Europe was impossible

without improvement in the relations between Germany and France.

Berlin, *August* 27, 1926.—Stresemann came to the Embassy last night full of the meeting of the Foreign Affairs Committee that afternoon. There had been general agreement in support of the foreign policy of the Government.

At one stage of the proceedings it so happened that the supporters of the Government were absent. Had an immediate vote been taken there would have been a majority against the Government on the question of Germany going to Geneva, but Hergt, who was President of the Committee, and a strong German National, did not put the question to the vote, desiring not to raise a crisis at this juncture.

The French are again nibbling at the question of the issue of the railway bonds. The amount of the service allotted to these bonds would amount to approximately 33 millions sterling—about one-quarter of the full Dawes annuity. French negotiators have been sounding the ground whether priority of transfer could be accorded to this sum, placing it above all other Dawes payments. Of course this stipulation would be inacceptable to England, unless accompanied by counter-concessions. However, the point is, not the precise terms demanded, but the fact that France is anxious to convert the railway annuity into a capital sum. This involves delicate negotiations both with the German Government and with the other participants in the Dawes agreement. It will be an opportunity which Germany will seize to put forward claims regarding the Dawes annuity. There is no doubt that the Government intend at some early date to demand a revision and a reduction of the annual payment.

In conversation with Stresemann I took the line that all these feelers about negotiations were of interest and should not be discouraged, but that a German initiative calling in question the amount of the Dawes annuity would create a deplorable impression. Only experience can show whether the Dawes obligations are excessive or not; Germany must endeavour to carry out her obligations in good faith.

Berlin, *September* 9, 1926.—Official news has now come that Germany has formally joined the League of Nations.[1] While this result has been practically certain for some weeks, it is a relief to have confirmation of a final settlement. Though second in importance to Locarno the entry of Germany into the League of Nations is none the less an outstanding achievement of statesmanship.

Esher Place, *September* 14, 1926.—Received the following telegram to-day from Berlin:

"The Locarno Treaties will be deposited to-day with the Secretariat of the League. This marks the culminating point in a policy now achieved, and one which will be associated with your name for all time. In recognition of which many greetings and with all respect and friendship.—STRESEMANN."

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[1] In order to avoid a repetition in September of the disastrous proceedings which, in March, had prevented the admission of Germany to the League of Nations, it was agreed by the Powers that a Committee of the Council should be set up to report on the problem connected with the composition of the Council and the number and election of its members. In addition to the Council Powers, Argentina, China, Poland, and Switzerland were invited to join the Committee. Germany hesitated for a while before accepting to appoint a representative. The Committee met on May 10 and reported on the 18th. The Committee confined its recommendations to questions concerning the number and method of election of non-permanent members. This still left open for decision the really dangerous questions connected with the possible increase in number of permanent seats in relation to Germany's election. In other words, the Committee refrained from expressing any opinions on the claims of Poland, Brazil, Spain, China, and Persia to permanent seats along with Germany. Spain and Poland were nettled over their failure to secure the fulfilment of their desires. So, to avoid fresh difficulties at Geneva, the legal advisers to the British, French, and German Foreign Offices conferred in private, and produced an agreed formula which, it was

CHAP. XV

September 1926

BERLIN, *September* 21, 1926.—A long talk recently with Prince Bülow about his past career and the origin of the War. He is confident that the War would not have occurred if he had remained in power. The real cause of the War was mismanagement and the stupidity of everybody. Bülow would never have allowed the Austrian ultimatum to be sent to Serbia. This was his first point. In the second place, he would have accepted Grey's proposals for a conference, possibly a conference of Foreign Ministers or even of Crowned Heads; and, in the third place, he would never have permitted the general staff to invade Belgium. The crisis in 1914 was not more grave, perhaps not so grave as, other previous crises; notably, some in the last years of Bismarck's Chancellorship, and again in the years after 1900; but every danger had been overcome, and it was incapacity which prevented a peaceful solution in 1914.

THE Kaiser's ambition to have a great German Navy

hoped, would satisfy Germany's rivals as well as Germany herself. The Committee of the Council resumed its sittings on August 30 and, by September 3, agreement was reached on all the thorny problems concerned with Germany's election. On the following day, September 4, the Council—by unanimous vote—decided to admit Germany as a permanent member of the Council on her entry to the League, and to increase from six to nine the number of non-permanent seats, the result being that Germany became the only permanent new member of the Council.

THE German Delegation left Berlin for Geneva on September 7, after being assured that everything had been settled in a manner satisfactory to German susceptibilities.

GERMANY was formally elected a member of the Assembly of the Council on September 8, and two days later the German Delegation took its seat in the Assembly amid the acclamation of the delegates of forty-eight Powers. German co-operation with the League was welcomed in glowing speeches by the principal Allied statesmen, M. Briand's speech being characterised by an enthusiasm which was not universally approved in France.

CHAP. XV

September 1926

was undoubtedly excessive. Tirpitz, he thought, was too one-sided ("einseitig"), but Bülow did not otherwise criticise him. As for the Kaiser, Bülow knew him better than anyone and was convinced that he did not desire war; indeed, he was dismayed when he realised that war was inevitable. The Kaiser's dream in creating the Navy was to bring about a day when, dressed as an English admiral, he would lead his Fleet to a friendly meeting with the British Fleet, which would be led by King Edward dressed as a German Admiral. The Fleets would then salute one another and two days would be spent in festivities. Notwithstanding this ambition, there was a great deal of hostility between the Kaiser and King Edward. This was to be attributed primarily to the Emperor having behaved badly to King Edward's sister, the Empress Frederick. King Edward did not forget this. Bülow made light of the alleged criticisms by the Kaiser of King Edward's private morals, but he said that the Emperor was not tactful and refused to do little things which might have improved relations. For instance, when Sir Thomas Lipton came to Kiel, King Edward asked that civility should be shown him; that the Emperor should talk to him. Bülow had given Lipton an interview of a quarter of an hour, and urged the Emperor to do the same, but the latter replied: "No, I know exactly what it is. Rich friends are useful to my uncle, but that is his affair and not mine." On another occasion, Bülow had urged the Emperor not to take with him to London two Court Officials who were disliked by King Edward, but the Emperor was obstinate and insisted on having them with him, to the great annoyance of the English sovereign.

BÜLOW had told the Empress Frederick that she and her son were too much alike to be good friends. The Empress had resented the alleged similarity, but Bülow insisted, saying: "You are alike as two billiard balls, so when you meet there is a shock and a rebound."

Bülow was convinced that, with Metternich in London as Ambassador, he (Bülow) would have been able to arrive at a settlement of the Navy question with England. The English Ministers were favourable to a delay in new construction, but the Emperor would not tolerate a binding agreement.

All the memoirs of Court Officials which have been published since the fall of the Emperor were contemptible, but the amount of intrigue which went on at the Court could not be exaggerated. It was always so if the sovereign had real power. In England, Court Officials change with the change of Ministry and they had not the political influence they enjoyed and misused in Germany. Referring to his memoirs, Bülow said that he is only collecting and arranging material and has no intention whatever of publishing anything during his lifetime. If one published too soon one could not be frank. Memoirs were of no historical value unless frank and free.

Berlin, *September* 22, 1926.—At luncheon to-day Eckardstein, whose Memoirs give the 1900 atmosphere in London with remarkable fidelity, mentioned that he was engaged in the preparation of a book of Recollections. One of the principal aims of this book is to correct the very widespread misconception of King Edward's rôle, and more especially to exonerate him from the charge of deliberately founding the policy of encirclement. He would bear witness that, throughout the negotiations with which he was personally associated in London from 1899 onwards, King Edward was never hostile to the idea of an Anglo-German Agreement. In point of fact, King Edward was uniformly favourable to such an Agreement until the news of the Kaiser's secret meeting with the Tsar at Björko on July 23, 1905, reached him through Delcassé.

King Edward regarded this attempt to conclude a general political agreement between Germany and Russia behind

CHAP. XV

September 1926

England's back as a definite proof of the Kaiser's hostility to England.

A GOOD illustration of Holstein's ideas about diplomacy was the following: On one occasion Holstein entered into negotiations for the purchase of a villa in Berlin. After the usual bargaining between the solicitors on both sides, the vendor announced his consent. Thereupon Holstein broke off the deal on the ground that something must be wrong or the other side would not be willing to sell.

ACCORDING to Eckardstein, Bülow was afraid of Holstein, who knew too much about him, and especially about his past mistakes. In addition to which, Bülow was primarily an opportunist without any definite broad lines of policy, anxious to enjoy favour with the Press, and to avoid attacks in the Reichstag. Furthermore, he was too indolent to go into detail, and preferred to leave the reading of documents and the preparation of memoranda to Holstein. Another personage to whom the failure, more especially of the third effort, to reach an agreement in 1901 should be attributed was Stumm, then a permanent official in the Foreign Office, and a consistent opponent of a rapprochement with England.

THE documents issued by the German Foreign Office did not furnish a complete picture of the negotiations in London between 1899 and 1901, because private letters between the parties contained much that was essential. Many documents were missing from the Archives. For instance, Eckardstein's cypher telegrams to and from Holstein were never entered, and never reached the Archives. Similarly, after the Morocco fiasco, the majority of the documents incriminating Holstein and Bülow disappeared from the Archives of the Foreign Office.

ASKED how Holstein was eventually dismissed by Bülow, if the latter was so afraid of him, Eckardstein explained that the dismissal took place in the following manner.

CHAP. XV — September 1926

The whole Morocco policy of Bülow and Holstein was their own doing, and in a sense the Kaiser was led into it against himself. During the Algeciras Conference, Holstein proved unruly, and Bülow decided to be free of him. So on the next occasion, when Holstein put in one of his repeated resignations, Bülow arranged to absent himself on sick leave, and Tschirschky, Permanent Under-Secretary, sent the resignation to the Kaiser, with a recommendation to accept it. This was the end of Holstein in April 1905. The curious thing was that Holstein never saw through the ruse, and continued until he died to believe that had Bülow not been ill he would never have been dismissed.

Looking back on the London negotiations, Eckardstein gave it as his opinion that there would have been no difficulty in obtaining the sanction of the House of Commons had an agreement been reached. In his actual dealings he found Salisbury the most difficult of English Ministers, because of his French sympathies. Lansdowne was the most versatile, and Joseph Chamberlain by far the ablest. Balfour made no difficulties. But it was a grave popular error, widely held in German and American circles, to imagine that King Edward was in any sense in opposition.

Referring to the outbreak of the World War Eckardstein remarked on the incredible lack of touch which existed between the General Staff and the German Foreign Office, and the amazing ignorance of the former on vital points. For instance, in conversation with Moltke in Baden-Baden in 1913 he, Eckardstein, ventured to tell the General that violation of Belgian neutrality would lead to English intervention, but Moltke refused to credit it. Similarly, in regard to Italy Moltke was unaware of the fact that a treaty actually existed, which in effect prevented Italy from entering the War on Germany's side if England were involved. By virtue of an agreement dating back to the eighties, Italy was to entrust the defence of her coast to Great Britain in the event of hostilities between Mediterranean Powers. The military authorities and the Chancellor considered Italy's intervention on Germany's side in 1914 as automatic and certain.

Berlin, *September* 30, 1926.—Schubert, just back from Geneva, is no more pleased than I am with the Thoiry[1] conversation. He considers a close association of the three Western Powers the essential spirit of Locarno; any departure from this, like the recent "fugue à deux" in the mountains, is a deviation from the basic conception.

We agreed in regretting that Chamberlain had to leave Geneva so soon; there was then no Lampson in support. Cecil and Hurst were fully occupied on technical questions, and had not the general command of the political position, which was required to discuss matters effectively, and keep the ship straight.

Stresemann's original intention was to take Schubert with him to the famous luncheon at Thoiry, but this idea was abandoned. There is little doubt that in a burst of convivial cordiality, both Briand and Stresemann promised one another a good deal which it may be difficult to perform, and discussed finance, a subject on which their knowledge is more imaginative than precise.

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[1] The world learned in the morning from the Press that the French and German Foreign Ministers had not only discussed but virtually settled every outstanding issue between France and Germany. The speedy mobilisation of the bulk of the German indemnity had been agreed to, no less than the anticipated evacuation of the Rhineland and the retrocession to Germany of the Saar. There was, further, to be a Commercial Treaty of great advantage to both countries. These reports went indeed beyond the truth, but the two statesmen were anxious not to disturb, by any too violent contradiction, the chorus of praise which they had richly deserved for Locarno. The reports of the Thoiry conversation were allowed to evaporate through their own exaggeration.

October 1926

Berlin, *October* 2, 1926.—Now that Locarno has been in force for nearly a year, and that Germany is a member of the League of Nations, a definite period in history comes to a close. A fresh epoch for Europe commences, and the work here will assume a different and more normal character. The war spirit has been quelled, and the possibility of an era of peaceful development opens.

As regards relations between Germany and England, the most instructive comparison is between the present period and the years at the end of the Bismarck epoch, when continuous efforts were made to achieve an Anglo-German settlement. It will be remembered that negotiations were carried on at intervals during more than twenty years, Joseph Chamberlain taking the most active part in the latter stage.

During the years 1925–6 the German Ministers in charge of affairs have accomplished what even Bismarck and the post-Bismarckians attempted in vain. For during the last years of Bismarck's official life, the objective of his policy appears to have been an understanding or agreement with England. And his successors pursued, with less vigour, the realisation of the same idea. Up till 1903, when the Anglo-French Entente closed the door, the wisest German statesmen believed that an agreement with England was the prudent course for their country, as being the best means to prevent encirclement, and the best insurance against attack by nervous or hostile neighbours. But neither in the Bismarckian days, nor in those which succeeded them, was success obtained for this policy. A subsequent attempt to arrive at an understanding, made by the Liberal Government in England in 1911 and 1912, produced no practical result.

The outcome of events during the last two years has been this, that the object aimed at by former German statesmen has now been achieved by novel means in widely different —perhaps more difficult—circumstances. For it may be confidently said that the animosity between England and Germany has been in large measure appeased, the proof being that England is now brought in as an arbitrator, and as a guarantor of the territorial integrity, not only of France, but also of Germany. Moreover, it is mainly through English influence that Germany has obtained at Geneva a position acceptable to her national dignity.

As regards England, I hold that our new position as arbiter and guarantor is not only the more dignified and disinterested, but the more prudent. By our intervention in this new capacity, supported by Italy in a similar rôle, the risk of war between France and Germany is vastly diminished. With effective measures taken to protect the French frontier against Germany, and the German frontier against France, the worst danger-spot in Europe has been dealt with, and the menace of a new conflagration reduced, if not exorcised.

Berlin, *October* 8, 1926.—Demonstrations of friendship and proofs of appreciation for the part we have played here during the last six years have been so numerous that I abandon the attempt to record them. To mention some and omit to mention others would be a slight to the latter, and I am not willing to risk a slight to any. I am moved rather by a feeling of real admiration for this people, and by gratitude to all, especially to those with whom I have been in personal contact. It is due to them that the years of strenuous work have passed pleasantly and have culminated in so considerable a result.

I have found German statesmen reliable and strong. What higher praise is there?

Berlin, *October* 10, 1926.—Left Berlin at 3.41 p.m.

APPENDIX I

LORD D'ABERNON'S ADDRESS TO GERMAN DELEGATES REGARDING ANGLO-GERMAN TREATY OF COMMERCE

BEFORE entering upon detailed discussion, I desire to say a few words regarding the importance of this occasion. In my judgment the negotiations we are commencing to-day will have a decisive influence upon two questions: first, upon the future relations between the German people and the English people, governing the future policy of the two countries towards each other; and secondly, upon the whole trend of commercial policy in Europe and possibly upon the general development of Europe. Whatever endeavours may be made to separate commercial relations from politics and to allow business to develop independently of political feeling or political prejudices, it is an undeniable fact that public feeling in the modern State depends to a large and increasing extent upon the commercial relations between countries, and these commercial relations will be powerfully influenced by the arrangements we have met to-day to discuss.

WHAT have been the commercial relations between Germany and England in the past? Before the War, England imported from Germany goods to the value of £80,400,000, representing 16·4 per cent. of Germany's total exports. Germany bought from England goods to the value of £60,500,000, representing 11·7 per cent. of her total imports. In both directions trade was increasing year by year. Since the War the amount of commercial exchanges has fallen, but I am glad to say that during the present year there has been a marked increase in the development of commercial exchanges, comparing the present year with the average of years since the Armistice. That is a good and hopeful sign.

Now how are the goods imported by one country from the other treated in the respective countries of import? In England the large majority of articles are admitted free of customs duty. This applies to 90 per cent. of German imports into England. In Germany the average duty amounts to 19 per cent. of the total value of dutiable goods imported; at least, that is the 1913 proportion, which must in post-war years have become even higher. In order to illustrate my point, I may draw your attention to one or two examples taken at random: thus, dressed leather on entry from England into Germany pays a duty of Mk. 800 per ton, while from Germany into England it is free; pig-iron pays Mk. 10 per ton coming into Germany, into England it is free; tin plates pay Mk. 50 per ton in Germany, in England they are free; india-rubber driving belts pay Mk. 500 a ton in Germany, in England they are free; and I could continue to take similar illustrations from every important category of goods. That is the first point which I desire to underline, and from which I shall later on draw certain deductions.

It is the fashion to say—and foreign representatives negotiating with English representatives have frequently said—"The absence of duty or the low customs duty imposed in England on foreign goods has been brought about by your fixed and immutable theoretical convictions as to free trade. Whatever duties foreign nations impose, you are powerless. You are hemmed in by your theory." Two fallacies underlie this argument: first, the facts are not as stated; secondly, if they were as stated they would not justify the conclusion usually drawn from them.

As to the first point, England is by no means unanimous on the free trade question. It may even be held that opinion is increasingly in favour of a non-continuation of the system which is at least superficially unfair, under which English exports are much worse treated in foreign countries than the exports of those countries are treated in England. Take care how you provide substantial ground for this opinion.

People talk about difficulties created against them if they desire to trade with a foreign country. The phrase is often used that "the door of commerce is slammed in our face." Is it not sometimes the case that when a door is slammed in anyone's face the original cause is to be found in some action of the person who is thus abruptly excluded? If I were a foreigner negotiating with England, I should be very careful that this criticism could not justifiably be applied to me. Whether the door of commercial exchange is open wide or whether it is half-shut or totally closed depends to a large extent upon the attitude of the would-be importer and the amount of reciprocity offered.

Now as to the second point. The conclusion usually drawn from the fact that England is free trade is that she is so tied by her theoretical considerations on this subject that she is incapable of modifying her policy even if her liberality does not meet with an adequate response. This conclusion is a false assumption. In the first place, we are not inclined, owing to theoretical preconception, to immobilisation on any subject.

Even if England were more unanimously free trade than is the case, she would, I hope and believe, not cease to be practical and to treat human affairs on human lines.

But as England is not unanimous the whole supposition falls to the ground, and you may take it as certain that some reciprocity and a certain equivalence of treatment in respect of commerce is a pre-condition to a continuance of present facilities. The matter is one beyond the power of Governments—it is a matter which public opinion will settle independently of the views of any political party or of any Minister.

There is another comparison to which I would like to draw your attention, namely, the treatment which German commerce receives in different countries with whom you are in large commercial relations. I find that while such important articles of German export as leather goods, dynamos and toys are subject in France and Italy to duties averaging 390, 160 and 250 gold marks per 100 kg. respectively, they are completely free of duty in the United Kingdom. Now, I do not bring this forward with a view to demand for England any privilege or any exemption not accorded to other nations, but I venture to submit that it does justify special attention being devoted to the maintenance of a free exchange of those articles in which England is largely interested. I believe that some guarantee for the future treatment of our trade is not only due to us for the attitude which we assume towards your trade, but it is most certainly in the interest of those who desire the development in England of feelings of confidence towards Germany.

In this connection I would also refer to the existing system of import licences in Germany which is proving such a serious obstacle to British trade. There are still some 800 items on the so-called prohibited import list, and in the vast majority of cases the necessity for a licence proceeds from a purely protective basis. There are only some sixteen articles in the whole of the list which perhaps could be regarded as unnecessary luxuries.

The history of commercial relations between Germany and the United Kingdom since the War shows two policies in very marked contrast. In England there has been a steady removal of one obstacle after another to German trade and intercourse—only this year the McKenna duties and Part II of the Protection of Industries Act have been allowed to lapse. The remaining obstacles to German trade in England are slight and temporary. In spite of this, the difficulty of entry for British goods into Germany is very nearly as great as it was when foreign trade control was first introduced; although in some cases the need for an import licence has been removed, such removal has invariably been replaced by a prohibitive duty. Thus, duty on the following goods, which now no longer require a licence, has been increased as follows:

On silk tissues from 300 to 3,200 marks per 100 kg. ; silken velvet and plush from 800 to 3,200 marks ; felt shoes from 600 to 1,800 marks per 100 kg. ; leather goods from 80 to 240 marks per 100 kg. ; inner tubes for motor-cars from 60 to 240 marks per 100 kg.

These examples will, I think, sufficiently illustrate my argument.

The position of British banks and insurance companies in Germany is a matter which calls for settlement. It is true that German banks are temporarily prohibited from establishing themselves in the United Kingdom, but British banks both before the war and since have on no occasion received permission to establish themselves in Prussia, and have been compelled to confine themselves to a few centres, and, since the War, to occupied territory. Even these British banks in Germany, however, have never been allowed to become members of a German Stock Exchange. British insurance companies have, since the War, persistently been refused the right to establish themselves in Germany, although there is nothing to prevent a German insurance company having an office and doing business in the United Kingdom.

I do not cite these cases in a hostile spirit—I desire not recrimination but reciprocity : reciprocity of a practical and effective nature, not a mere theoretical declaration of equality accompanied by a real inequality of treatment.

What I ask you to do is to examine the position in the light of the facts I have adduced, and, after consultation with the competent Departments, to let us know what measures are possible to facilitate and develop the commercial relations between our two great trading communities.

Berlin, *September* 22, 1924.

APPENDIX II

PROTOCOL OF ANGLO-GERMAN TREATY OF COMMERCE

(1)

THE Treaty of Commerce and Navigation signed this day being based on the principle of the most favoured nation, both parties to the treaty undertake to give the widest possible interpretation to that principle. In particular, while retaining their right to take appropriate measures to preserve their own industries, they undertake to abstain from using their respective Customs tariffs or any other charges as a means of discrimination against the trade of the other, and to give sympathetic consideration to any cases that may be brought to their notice in which, whether as a result of the rates of customs duties or charges themselves or of arbitrary or unreasonable customs classification, any such discrimination can be shown to have arisen.

(2)

WITHIN the limits of this undertaking each party agrees not to impose, reimpose or prolong any duties or charges which are specially injurious to the other party. Each party further agrees, when modifying its existing Customs tariff and fixing future rates of Customs duty as far as they specially affect the interests of the other party, to take due regard to reciprocity and to the development on fair and equitable terms of the commerce of the two countries, the German Government taking into full account the favourable treatment at present accorded to goods the produce or manufacture of Germany on importation into the United Kingdom. The parties will also have regard to the same considerations in applying any special prohibitions or restrictions which may be notified under Article 3 of this Protocol.

SHOULD either of the two Contracting Parties be of the opinion that particular rates of Customs duty fixed by the other party are not in accordance with the above undertaking both parties agree to enter immediately into verbal negotiations.

(3)

BOTH Contracting Parties agree to remove at the earliest possible opportunity, but not later than six months from the coming into force of the treaty signed this day, all forms of prohibition or restriction of importation or exportation, except in those special cases mentioned in Article 10 of the treaty, or in such other special cases as may be notified by either party to the other party before the ratification of the treaty.

(4)

His Britannic Majesty's Government undertake—
(*a*) To recommend to Parliament the necessary legislation for the removal of the disabilities imposed by the legislation specified below affecting German citizens and German companies in the United Kingdom which do not extend to the subjects or citizens or companies of the most favoured foreign country, viz. :—

Non-Ferrous Metal Industries Act, 1918.
Aliens Restriction (Amendment) Act, 1919. (Section 12.)
Trading with the Enemy (Amendment) Act, 1918. (Section 2.)

(*b*) In the administration of the Overseas Trade Acts, 1920 to 1924, and the Trade Facilities Acts, 1921 to 1924, not to exclude trade between the United Kingdom and Germany from any benefits to which trade between the United Kingdom and any other foreign country is admitted.

(5)

The German Government undertake—
(*a*) That insurance companies constituted in accordance with the laws in force in the United Kingdom shall be admitted to carry on business in all parts of Germany, subject to the provisions of the German Insurance Law, and that the section regulating the admittance of foreign insurance companies will be interpreted in the most liberal way as far as insurance companies of the United Kingdom are concerned. The German Government will also give all necessary facilities compatible with German law for the work carried on by the agents in Germany on behalf of the underwriters of the United Kingdom.
(*b*) That banking companies constituted in accordance with the laws in force in the United Kingdom shall in the pursuance of their business be subjected only to the general German Law ; that new regulations against the flight of capital shall be so framed that the right to open accounts and to receive deposits may be conferred upon foreign banks ; and that they will use their influence with the State Governments to secure that United Kingdom banks shall be treated in a liberal way with regard to the permission to open branch offices and the right to deal in exchange, without prejudice to the right of

making the grant of such privileges to foreign banks subject to general reservations.

(6)

In pursuance of the general principle of the mutual accord of national treatment in matters of navigation which is embodied in the treaty signed this day, both parties agree that in regard to the carriage from their respective territories of emigrants (including transmigrants) and to the establishment of agencies by companies engaged in the business of emigration, the vessels and shipping companies of either party shall be placed, in the territories of the other, on exactly the same footing in every respect as national vessels and national shipping companies.

(7)

Both parties hereby place on record their intention to adopt (in so far as they have not already done so) the provisions of—

(1) The conventions and statutes concluded at Barcelona in 1921 respecting freedom of transit and navigable waterways of international commerce ;

(2) The conventions and statutes concluded at Geneva in 1923 respecting customs formalities, maritime ports and railways ;

(3) The protocol on arbitration clauses drawn up at Geneva in 1923.

(8)

It is agreed that the treaty signed this day shall come into force only after the necessary legislative or administrative measures have been passed by the appropriate authorities in the respective countries.

Done at London in duplicate in English and German texts, December 2, 1924.

Sthamer.　　Austen Chamberlain.
C. von Schubert.　　d'Abernon.

APPENDIX III

GERMAN NOTE TO GREAT BRITAIN OF JANUARY 20, 1925

ORIGINAL GERMAN INITIATIVE WHICH AFTERWARDS BECAME THE TREATY OF LOCARNO

THE present acute questions of disarmament and evacuation are frequently considered in France from the standpoint of security against possible aggressive intentions on the part of Germany. For that reason it would probably be easier to find a solution for them if they were combined with an agreement of a general nature, the object of which would be to secure peace between Germany and France. Germany is perfectly ready to take this point of view into consideration. She is anxious to see the problems arising between her and France dealt with by no other method than that of friendly understanding, and is accordingly interested, for her part, in the establishment of a special treaty foundation for such a peaceful understanding.

IN considering the various forms which a Pact of Security might at present take, one could proceed from an idea cognate to that from which the proposal made in December 1922 by Dr. Cuno sprang. Germany could, for example, declare her acceptance of a pact by virtue of which the Powers interested in the Rhine, above all, England, France, Italy and Germany, entered into a solemn obligation for a lengthy period (to be eventually defined more specifically), *vis-à-vis* the Government of the United States of America, as trustee, not to wage war against a contracting State. A comprehensive arbitration treaty, such as has been concluded in recent years between different European countries, could be amalgamated with such a pact. Germany is also prepared to conclude analogous arbitration treaties providing for the peaceful settlement of juridical and political conflicts with all other States as well.

FURTHERMORE, a pact expressly guaranteeing the present territorial status ("gegenwärtiger Besitzstand") on the Rhine would also be acceptable to Germany. The purport of such a pact could be, for instance, that the interested States bound themselves reciprocally to observe the inviolability of the present territorial status on the Rhine, that they, furthermore, both conjointly and individually ("conjointement et séparément") guaranteed the fulfilment of this obligation, and finally, that they would regard any action running counter to the said obligation as affecting them jointly and individually.

In the same sense the treaty States could guarantee in this pact the fulfilment of the obligation to demilitarise the Rhineland which Germany has undertaken in Articles 42 and 43 of the Treaty of Versailles. Again, arbitration agreements of the kind defined above between Germany and all those States which were ready on their side to accept such agreements could be combined with such a pact.

To the examples set out above still other possibilities of solution could be linked. Furthermore, the ideas on which these examples are based could be combined in different ways. Anyhow, these examples should suffice to show that, if there be question of a desire for guarantees for peaceful evolution in all the States concerned, a secure treaty foundation for them cannot be difficult to find.

APPENDIX IV

MEMORANDUM COMMUNICATED ON FEBRUARY 9, 1925, BY THE GERMAN CHARGÉ D'AFFAIRES IN PARIS TO M. HERRIOT, PRESIDENT OF THE COUNCIL AND MINISTER FOR FOREIGN AFFAIRS.

(*Strictly Confidential.*)

In considering the various forms which a Pact of Security might at present take, one could proceed from an idea cognate to that from which the proposal made in December 1922 by Dr. Cuno sprang. Germany could, for example, declare her acceptance of a pact by virtue of which the Powers interested in the Rhine—above all, England, France, Italy and Germany—entered into a solemn obligation for a lengthy period (to be eventually defined more specifically) *vis-à-vis* the Government of the United States of America as trustee not to wage war against a contracting State. A comprehensive arbitration treaty, such as has been concluded in recent years between different European countries, could be amalgamated with such a pact. Germany is also prepared to conclude analogous arbitration treaties providing for the peaceful settlement of juridical and political conflicts with all other States as well.

Furthermore, a pact expressly guaranteeing the present territorial status ("gegenwärtiger Besitzstand") on the Rhine would also be acceptable to Germany. The purport of such a pact could be, for instance, that the interested States bound themselves reciprocally to observe the inviolability of the present territorial status on the Rhine; that they, furthermore, both jointly and individually ("conjointement et séparément") guaranteed the fulfilment of this obligation; and, finally, that they would regard any action running counter to the said obligation as affecting them jointly and individually. In the same sense, the treaty States could guarantee in this pact the fulfilment of the obligation to demilitarise the Rhineland which Germany has undertaken in Articles 42 and 43 of the Treaty of Versailles. Again, arbitration agreements of the kind defined above between Germany and all those States which were ready on their side to accept such agreements could be combined with such a pact. To the examples set out above still other possibilities of solution could be linked. Furthermore, the ideas on which these examples are based could be combined in different ways. Again, it would be worth considering whether it would not be advisable to so draft the Security Pact that it would prepare the way for a world convention to include all States along the lines of the "Protocole pour le Règlement pacifique de Différends internationaux" drawn up by the League of Nations, and that, in case such a world convention was achieved, it could be absorbed by it or worked into it.

APPENDIX V

THE LOCARNO AGREEMENTS

(October 16, 1925)

FINAL PROTOCOL OF THE LOCARNO CONFERENCE

The representatives of the German, Belgian, British, French, Italian, Polish and Czecho-Slovak Governments, who have met at Locarno from October 5 to 16, 1925, in order to seek by common agreement means for preserving their respective nations from the scourge of war and for providing for the peaceful settlement of disputes of every nature which might eventually arise between them,

Have given their approval to the draft treaties and conventions which respectively affect them, and which, framed in the course of the present conference, are mutually interdependent:

Treaty between Germany, Belgium, France, Great Britain and Italy.
Arbitration Convention between Germany and Belgium.
Arbitration Convention between Germany and France.
Arbitration Treaty between Germany and Poland.
Arbitration Treaty between Germany and Czecho-Slovakia.

These instruments, hereby initialled *ne varietur*, will bear to-day's date, the representatives of the interested parties agreeing to meet in London on December 1 next, to proceed during the course of a single meeting to the formality of the signature of the instruments which affect them.

The Minister for Foreign Affairs of France states that as a result of the draft arbitration treaties mentioned above, France, Poland and Czecho-Slovakia have also concluded at Locarno draft agreements in order reciprocally to assure to themselves the benefit of the said treaties. These agreements will be duly deposited at the League of Nations, but M. Briand holds copies forthwith at the disposal of the Powers represented here.

The Secretary of State for Foreign Affairs of Great Britain proposes that, in reply to certain requests for explanations concerning Article 16 of the Covenant of the League of Nations presented by the Chancellor and the Minister for Foreign Affairs of Germany, a letter, of which the draft is similarly attached, should be addressed to them at the same time as the formality of signature of the above-mentioned instruments takes place. This proposal is agreed to.

THE representatives of the Governments represented here declare their firm conviction that the entry into force of these treaties and conventions will contribute greatly to bring about a moral relaxation of the tension between nations, that it will help powerfully towards the solution of many political or economic problems in accordance with the interests and sentiments of peoples; and that, in strengthening peace and security in Europe, it will hasten on effectively the disarmament provided for in Article 8 of the Covenant of the League of Nations.

THEY undertake to give their sincere co-operation to the work relating to disarmament already undertaken by the League of Nations, and to seek the realisation thereof in a general agreement.

DONE at Locarno, October 16, 1925.

LUTHER.
STRESEMANN.
EMILE VANDERVELDE.
ARI. BRIAND.
AUSTEN CHAMBERLAIN.
BENITO MUSSOLINI.
AL. SKRZYŃSKI.
EDUARD BENEŠ.

ANNEX A. TREATY OF MUTUAL GUARANTEE BETWEEN GERMANY, BELGIUM, FRANCE, GREAT BRITAIN AND ITALY

(*Translation.*)

THE President of the German Reich, His Majesty the King of the Belgians, the President of the French Republic, His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, His Majesty the King of Italy;

ANXIOUS to satisfy the desire for security and protection which animates the peoples upon whom fell the scourge of the war of 1914–1918;

TAKING note of the abrogation of the treaties for the neutralisation of Belgium, and conscious of the necessity of ensuring peace in the area which has so frequently been the scene of European conflicts;

ANIMATED also with the sincere desire of giving to all the signatory Powers concerned supplementary guarantees within the framework of the Covenant of the League of Nations and the treaties in force between them;

HAVE determined to conclude a treaty with these objects, and have appointed as their plenipotentiaries:

The President of the German Reich:

DR. HANS LUTHER, Chancellor of the Reich;
DR. GUSTAV STRESEMANN, Minister of Foreign Affairs;

His Majesty the King of the Belgians:

M. EMILE VANDERVELDE, Minister of Foreign Affairs.

The President of the French Republic:

M. ARISTIDE BRIAND, Prime Minister and Minister of Foreign Affairs.

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India:

THE Right Honourable Stanley Baldwin, M.P., First Lord of the Treasury and Prime Minister;
THE Right Honourable Joseph Austen Chamberlain, M.P., Principal Secretary of State for Foreign Affairs.

His Majesty the King of Italy:

THE Honourable Vittorio Scialoja, Senator of the Kingdom;

WHO, having communicated their full powers, found in good and due form, have agreed as follows:

ARTICLE 1

THE high contracting parties collectively and severally guarantee, in the manner provided in the following articles, the maintenance of the territorial *status quo* resulting from the frontiers between Germany and Belgium and between Germany and France and the inviolability of the said frontiers as fixed by or in pursuance of the Treaty of Peace signed at Versailles on June 28, 1919, and also the observance of the stipulations of Articles 42 and 43 of the said treaty concerning the demilitarised zone.

ARTICLE 2

GERMANY and Belgium, and also Germany and France, mutually undertake that they will in no case attack or invade each other or resort to war against each other.

THIS stipulation shall not, however, apply in the case of—

1. THE exercise of the right of legitimate defence, that is to say, resistance to a violation of the undertaking contained in the previous paragraph or to a flagrant breach of Articles 42 or 43 of the said Treaty of Versailles, if such breach constitutes an unprovoked act of aggression and by reason of the assembly of armed forces in the demilitarised zone immediate action is necessary.
2. ACTION in pursuance of Article 16 of the Covenant of the League of Nations.
3. ACTION as the result of a decision taken by the Assembly or by the Council of the League of Nations or in pursuance of Article 15, paragraph 7, of the Covenant of the League of Nations, provided that in this last event the action is directed against a State which was the first to attack.

ARTICLE 3

IN view of the undertakings entered into in Article 2 of the present treaty, Germany and Belgium and Germany and France undertake to settle by peaceful means and in the manner laid down herein all questions of every kind which may arise between them and which it may not be possible to settle by the normal methods of diplomacy :

ANY question with regard to which the parties are in conflict as to their respective rights shall be submitted to judicial decision, and the parties undertake to comply with such decision.

ALL other questions shall be submitted to a conciliation commission. If the proposals of this commission are not accepted by the two parties, the question shall be brought before the Council of the League of Nations, which will deal with it in accordance with Article 15 of the Covenant of the League.

THE detailed arrangements for effecting such peaceful settlement are the subject of special agreements signed this day.

ARTICLE 4

1. IF one of the high contracting parties alleges that a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles has been or is being committed, it shall bring the question at once before the Council of the League of Nations.
2. As soon as the Council of the League of Nations is satisfied that

such violation or breach has been committed, it will notify its finding without delay to the Powers signatory of the present treaty, who severally agree that in such case they will each of them come immediately to the assistance of the Power against whom the act complained of is directed.

3. In case of a flagrant violation of Article 2 of the present treaty or of a flagrant breach of Articles 42 or 43 of the Treaty of Versailles by one of the high contracting parties, each of the other contracting parties hereby undertakes immediately to come to the help of the party against whom such a violation or breach has been directed as soon as the said Power has been able to satisfy itself that this violation constitutes an unprovoked act of aggression and that by reason either of the crossing of the frontier or of the outbreak of hostilities or of the assembly of armed forces in the demilitarised zone immediate action is necessary. Nevertheless, the Council of the League of Nations, which will be seized of the question in accordance with the first paragraph of this article, will issue its findings, and the high contracting parties undertake to act in accordance with the recommendations of the Council provided that they are concurred in by all the members other than the representatives of the parties which have engaged in hostilities.

Article 5

The provisions of Article 3 of the present treaty are placed under the guarantee of the high contracting parties as provided by the following stipulations:

If one of the Powers referred to in Article 3 refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision and commits a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles, the provisions of Article 4 shall apply.

Where one of the Powers referred to in Article 3 without committing a violation of Article 2 of the present treaty or a breach of Articles 42 or 43 of the Treaty of Versailles, refuses to submit a dispute to peaceful settlement or to comply with an arbitral or judicial decision, the other party shall bring the matter before the Council of the League of Nations, and the Council shall propose what steps shall be taken; the high contracting parties shall comply with these proposals.

Article 6

The provisions of the present treaty do not affect the rights and obligations of the high contracting parties under the Treaty of Versailles or under arrangements supplementary thereto, including the agreements signed in London on August 30, 1924.

ARTICLE 7

THE present treaty, which is designed to ensure the maintenance of peace, and is in conformity with the Covenant of the League of Nations, shall not be interpreted as restricting the duty of the League to take whatever action may be deemed wise and effectual to safeguard the peace of the world.

ARTICLE 8

THE present treaty shall be registered at the League of Nations in accordance with the Covenant of the League. It shall remain in force until the Council, acting on a request of one or other of the high contracting parties notified to the other signatory Powers three months in advance, and voting at least by a two-thirds' majority, decides that the League of Nations ensures sufficient protection to the high contracting parties ; the treaty shall cease to have effect on the expiration of a period of one year from such decision.

ARTICLE 9

THE present treaty shall impose no obligation upon any of the British dominions, or upon India, unless the Government of such dominion, or of India, signifies its acceptance thereof.

ARTICLE 10

THE present treaty shall be ratified and the ratifications shall be deposited at Geneva in the archives of the League of Nations as soon as possible.

IT shall enter into force as soon as all the ratifications have been deposited and Germany has become a member of the League of Nations.

THE present treaty, done in a single copy, will be deposited in the archives of the League of Nations, and the Secretary-General will be requested to transmit certified copies to each of the high contracting parties.

IN faith whereof the above-mentioned plenipotentiaries have signed the present treaty.

DONE at Locarno, October 16, 1925.

LUTHER.
STRESEMANN.
EMILE VANDERVELDE.
A. BRIAND.
AUSTEN CHAMBERLAIN.
BENITO MUSSOLINI.

APPENDIX VI

TURCO-SOVIET TREATY, SIGNED IN PARIS DECEMBER 17, 1925

THE Government of the Union of Soviet Socialist Republics and the Government of the Turkish Republics, recognising that in the interest of both parties the conditions conducive to the strengthening of normal relations and sincere friendship between the two countries should be defined, have appointed for this purpose M. George Tchitcherin (People's Commissar for Foreign Affairs of the U.S.S.R.), and Tewfik Rushdi Bey (Minister for Foreign Affairs in Turkey), and have concluded the following agreement.

ARTICLE 1

IN the event of a military movement against one of the contracting parties on the part of one or several other Powers, the second contracting party is bound to remain neutral with regard to the first. (*Note.*—The term "military movement" should not include military manœuvres, as not being injurious to the other side.)

ARTICLE 2

EACH of the contracting parties binds itself to abstain from any attack against the other; likewise it binds itself not to take part in any alliance or agreement with one or several Powers directed against the military or naval safety of the other contracting party. Moreover, each of the contracting parties binds itself not to take part in any hostile attack of one or several Powers directed against the other contracting party.

ARTICLE 3

THE present Treaty enters into force from the date of its ratification, and will be valid for three years, after which the Treaty will be recognised as being automatically extended for another year, unless one of the contracting parties informs the other six months before the expiration of the term of its desire to end it.

APPENDIX VII

TREATY[1] OF GUARANTEE BETWEEN POLAND AND ROUMANIA, SIGNED AT BUCHAREST MARCH 26, 1926

French official text communicated by the Permanent Delegates of Roumania and Poland accredited to the League of Nations. The registration of this Treaty took place March 7, 1927.

(*Translation.*)

THE PRESIDENT OF THE POLISH REPUBLIC and HIS MAJESTY THE KING OF ROUMANIA, noting with satisfaction the consolidation of the guarantees for the general peace of Europe, and anxious to satisfy the desire for peace by which the peoples are animated, desirous of seeing their country spared from war, and animated also with the sincere desire of giving to their peoples supplementary guarantees within the framework of the Covenant of the League of Nations and of the treaties of which they are signatories, have determined to conclude a Treaty with this object, and have agreed as follows:

ARTICLE 1

POLAND and Roumania undertake each to respect and preserve against external aggression the territorial integrity and existing political independence of the other.

ARTICLE 2

IN the event of Poland or Roumania, contrary to the undertakings imposed by Articles 12, 13 and 15 of the Covenant of the League of Nations, being attacked without provocation, Poland and reciprocally Roumania, acting in application of Article 16 of the Covenant of the League of Nations, undertake to lend each other immediately aid and assistance.

IN the event of the Council of the League of Nations, when dealing with a question brought before it in accordance with the provisions of the Covenant of the League of Nations, being unable to secure the acceptance of its report by all its Members other than the representatives of the Parties to the dispute, and in the event of Poland or Roumania being attacked without provocation, Poland or reciprocally Roumania, acting in application of Article 15, paragraph 7, of the Covenant of the League of Nations, will immediately lend aid and assistance to the other country.

---

[1] THE exchange of ratifications took place at Warsaw, February 9, 1927.

SHOULD a dispute of the kind provided for in Article 17 of the Covenant of the League of Nations arise, and Poland or Roumania be attacked without provocation, Poland and reciprocally Roumania undertake to lend each other immediately aid and assistance.

THE details of application of the above provisions shall be settled by technical agreements.

ARTICLE 3

IF, in spite of their efforts to maintain peace, the two States are compelled to enter on a defensive war under the terms of Articles 1 and 2, each undertakes not to negotiate or conclude an armistice or a peace without the participation of the other State.

ARTICLE 4

IN order to co-ordinate their efforts to maintain peace, both Governments undertake to consult together on such questions of foreign policy as concern both Contracting Parties.

ARTICLE 5

NEITHER of the High Contracting Parties shall be at liberty to conclude an alliance with a third Power without having previously consulted the other Party.

ALLIANCES with a view to the maintenance of treaties already signed jointly by both Poland and Roumania are excepted from this provision.

SUCH alliances must, however, be notified.

ARTICLE 6

THE High Contracting Parties undertake to submit all disputes which may arise between them, or which it may not have been possible to settle by the ordinary methods of diplomacy, to conciliation or arbitration. The details of this procedure of pacific settlement shall be laid down in a special convention to be concluded as soon as possible.

ARTICLE 7

THE present Treaty shall remain in force for five years from the date of its signature, but either of the two Governments shall be entitled to denounce it after two years, upon giving six months' notice.

Article 8

The present Treaty shall be ratified, and the ratifications shall be exchanged at Warsaw as soon as possible.

In faith whereof the Plenipotentiaries have signed the present Treaty and have thereto affixed their seals.

Done at Bucharest, in duplicate, the twenty-sixth day of March, One thousand nine hundred and twenty-six.

(*L.S.*) (*Signed*) J. Wielowieyski.
(*L.S.*) (*Signed*) I. G. Duca.

PROTOCOL

The Convention of Defensive Alliance which expires on April 3, 1926, being recognised to have had results beneficial to the cause of peace, the undersigned Plenipotentiaries, holding full powers, found in good and due form, from the President of the Polish Republic and from His Majesty the King of Roumania, respectively, have agreed to conclude a Treaty of Guarantee for a further period of five years.

The present Protocol shall be communicated to the League of Nations (Covenant of the League of Nations).

The present Protocol shall be ratified at the same time as the Treaty, and the ratifications thereof shall be exchanged at Warsaw as soon as possible.

In faith whereof the Plenipotentiaries have signed the present Protocol and have thereto affixed their seals.

Done at Bucharest, in duplicate, the twenty-sixth day of March, One thousand nine hundred and twenty-six.

(*Signed*) J. Wielowieyski
(*Signed*) I. G. Duca

APPENDIX VIII

TREATY BETWEEN GERMANY AND RUSSIA FOR THE SETTLEMENT OF QUESTIONS ARISING OUT OF THE WAR BETWEEN THE TWO COUNTRIES — RAPALLO, APRIL 16, 1922

[*Ratifications exchanged at Berlin, January* 31, 1923]

(*Translation.*)

THE German Government, represented by Dr. Walter Rathenau, Minister of the Reich, and the Government of the Russian Socialist Federal Soviet Republic, represented by Chicherin, Commissary of the People, have agreed to the following :

ARTICLE 1

THE two Governments agree that the settlement between the German Reich and the Russian Socialist Federal Soviet Republic of questions arising from the time when a state of war existed between Germany and Russia shall be effected on the following basis :

(*a*) THE German Reich and the Russian Socialist Federal Soviet Republic renounce mutually all compensation in respect of the costs of the war and of war losses, that is, all losses incurred by them and their nationals in the war areas through military measures, including requisitions made in enemy country. Both parties also renounce all compensation in respect of civilian losses, caused to nationals of one party by the so-called exceptional war legislation or by compulsory measures taken by State Departments on the other side.

(*b*) THE public and private legal relations between the two States which were affected by the state of war, including the question of merchant ships captured by the other party, will be settled on a basis of reciprocity.

(*c*) GERMANY and Russia mutually renounce all compensation in respect of costs incurred on both sides for prisoners of war. The German Government also renounces repayment of the sums expended by it for soldiers of the Red Army interned in Germany. The Russian Government, on its side, renounces repayment of the proceeds from the sales effected by Germany of the army property brought into Germany by these interned Russians.

ARTICLE 2

GERMANY renounces all claims arising from the application up to the present of the laws and measures of the Russian Socialist Federal Soviet Republic to German nationals or their private rights and to the rights of the German Reich and States in regard to Russia, or from any measures taken by the Russian Socialist Federal Soviet Republic or any of its organs against German nationals or their private rights, provided that the Government of the Russian Socialist Federal Soviet Republic does not give satisfaction to like claims put forward by other States.

ARTICLE 3

DIPLOMATIC and consular relations will immediately be resumed between the German Reich and the Russian Socialist Federal Soviet Republic. The reinstatement of consuls on both sides will be provided for in a separate agreement

ARTICLE 4

BOTH Governments agree further that with regard to the general legal status of nationals of the one party in the territory of the other party, and the general regulation of commercial and economic relations between the two countries, the principle of the most favoured nation shall apply. This principle shall not extend to the privileges or facilities granted by the Russian Socialist Federal Soviet Republic to a Soviet Republic or any State which formerly formed part of the former Russian Empire.

ARTICLE 5

BOTH Governments will endeavour reciprocally to meet the economic needs of the other side in an accommodating spirit. In the event of a fundamental settlement of this question on an international basis, the said Governments will provide for a preliminary exchange of views. The German Government declares itself prepared in so far as possible to support the arrangements contemplated by private firms, of which it has recently been informed, and to facilitate the execution of these projects.

ARTICLE 6

ARTICLES 1 (*b*) and 4 shall come into force on ratification of this Treaty ; the other clauses shall take effect immediately.

DONE in two original texts at Rapallo, April 16, 1922.

(*L.S.*) RATHENAU.
(*L.S.*) CHICHERIN.

APPENDIX IX

ARTICLE XVI OF THE COVENANT OF THE LEAGUE OF NATIONS

"SHOULD any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the Covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nations of the covenant-breaking State and the nationals of any other State, whether a member of the League or not.

"IT shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

"THE members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are co-operating to protect the Covenants of the League.

"ANY Member of the League which has violated any Covenant of the League may be declared to be no longer a Member of the League by a vote of the Council concurred in by the representatives of all the other Members of the League represented thereon."

INDEX TO THE THREE VOLUMES

Aachen (Aix-la-Chapelle), i. 274
Addison, Mr. Joseph, iii. 199
Aerial warfare, iii. 167
Aeroplanes, military, iii. 123
Afghanistan, ii. 288; iii. 145
  Bolsheviks and, i. 188, 251
  German relations, iii. 212-13
  Mission in Berlin, ii. 103
  Russian influence, iii. 191
  Students in Europe, ii. 103-4
Aga Khan and the Turf, iii. 103
Air restrictions, iii. 201-2, 229
Aisne, the, i. 274
Aix-les-Bains, ii. 261
Albania, iii. 237
Albert, Herr, ii. 276, 281
Albert, King of the Belgians, i. 56; iii. 38
Algeciras Conference, iii. 265
Alice in Wonderland, iii. 229
Allen, General, i. 208
Allgemeine Electricitäts Gesellschaft, i. 91, 254
Allied Economic Experts' London meeting, i. 263, 292
Allied ultimatum to Germany, i. 155-8, 160, 162, 182
Almanach de Gotha, ii. 210
Alsace-Lorraine, i. 5; ii. 76, 84, 103, 180; iii. 6, 24, 184, 222
Amalgamation in industry, iii. 219-20, 244-5
Ambassadors' Conference, i. 58, 62, 103, 111, 141, 201; ii. 272, 277-8; iii. 203, 230
America:
  Ambassador in Berlin, ii. 72, 84, 92; iii. 59-60, 66, 85, 135, 193
  Ambassador in Paris, ii. 278
  Anglo-American Guarantee, iii. 21
  Anglo-American marriages, ii. 35
  Army on the Rhine, i. 112
  Balance of trade, iii. 131
  Balfour Note, ii. 86
  Berlin an American city, ii. 102
  Berlin Embassy, ii. 46-8, 104, 123, 124; iii. 49, 84
  Business men's views, ii. 71
  Business with Germany, i. 283
  Cannes Conference, i. 244
  Coblenz, i. 208
  Cuno proposal, iii. 128
  Dawes Plan, ii. 5-6, 9-10, 26
  Debt charge, iii. 49, 118
  England, ii. 185, 188, 193; iii. 25-6, 32, 44
  English policy in Washington, i. 235
  European settlement, i. 208, 270
  Europe's debts, i. 128, 149-51, 161, 234, 291
  Experts' Report, iii. 66
  Federal Reserve Board, iii. 96, 176
  Finance, iii. 14, 42, 60, 76, 177
  Financial influence, i. 29
  France, ii. 165, 285; iii. 60, 76, 85, 244
  France and a loan, i. 110
  French debt, i. 154
  German Ambassador, i. 257, 270
  German-American negotiations, i. 153
  German appeal to Washington, i. 127
  German friendliness, i. 18-19, 212, 241, 256
  German hopes, i. 213-14
  German Peace Pact, ii. 154-7
  German "Western Party," ii. 135
  Germany, ii. 75, 144, 157, 269; iii. 120, 128, 220, 244-5
  Hague Conference, i. 294
  Idealism, iii. 60, 75
  Industry, iii. 219, 244
  Influence in Europe, ii. 223
  Japan, ii. 253-5
  Kessler visit, iii. 75-6
  League of Nations, ii. 51; iii. 75
  Loans to Germany, i. 18
  London Conference, iii. 89

America—*continued*
  MacDonald mission, iii. 32
  Middle West, iii. 76
  Negro antagonism, ii. 17
  New York, ii. 43
  Observer's views, ii. 50-1, 167
  Pact of London, iii. 93
  Paper money, ii. 239
  Peace Treaty with Germany, i. 204
  Poincaré, ii. 24, 27, 270, 278
  Prohibition, iii. 84, 117
  Racial differences smothered, i. 25
  Reparation Commission members, iii. 46-7, 49-50
  Reparation settlement, iii. 209
  Reparations, ii. 24, 189, 268
  Ruhr, ii. 2, 139, 172
  Ruhr occupation, i. 156, 158-9
  Russia, iii. 197, 216
  Schacht visit, iii. 219-20
  Secretary of State, iii. 83-5, 128
  Steel Trust, ii. 189
  Stinnes, ii. 104
  Tariffs, iii. 108
  Trustee, iii. 124, 128-9
  Viviani's visit, i. 154
  War, iii. 61, 63, 244-5
  War debts, ii. 75, 193
  Washington, ii. 5, 41, 144, 255, 278; iii. 48, 119, 120 *n.*, 128, 150
  Washington Conference, i. 219, 243
  Withdrawal from Ambassadors' Council, i. 111
Amiens, ii. 180; iii. 254, 256
Anatolia, Turco-Greek War in, i. 199
Anglo-American Association, ii. 254
Anglo-American Pact, iii. 21, 25
Anglo-French Entente, ii. 239; iii. 267
  Proposed military pact, iii. 21
Anglo-German Commercial Protocol, iii. 273-5
  Lord D'Abernon's address to German delegates, iii. 269-72
Anglo-Japanese Alliance, ii. 254
Angola, iii. 220
Angora, i. 192-3, 196, 251, 254; ii. 65, 106-8, 113, 131-2, 143, 147, 165
Anschluss, ii. 89-90, 101-3; iii. 223
Antwerp, i. 105, 146; ii. 36-7
Arbitration, iii. 186, 192
Ardennes, the, i. 295-6
Argentina, iii. 260 *n.*
Argonne, iii. 80
Armenian massacres, i. 174, 188
Armenians, ii. 101
Armies of Occupation, i. 102-4, 107, 110, 114, 117, 124; iii. 43, 47, 212, 257
Armistice, the, iii. 82, 100
Army of Occupation, ii. 136
Art, French, ii. 19
Asia, iii. 201
  Central, i. 80, 188, 211; ii. 99, 119, 121; iii. 45, 191
  Minor, i. 192, 211, 316
Asquith, Rt. Hon. H. H. (Lord Oxford), i. 43, 128; ii. 27; iii. 38, 98, 104, 212
  Appreciation, ii. 28, 33
Assignats, ii. 94-5
Augusta, Empress, iii. 69
Augusta-Victoria, Empress, iii. 80
Australasia, ii. 255
Australia, iii. 81
Austria, i. 68, 95-6, 106, 198-9; ii. 21, 87-90, 101-3, 108, 114, 259; iii. 39, 51, 97-8, 223-4, 261
Aviation, iii. 212

Babel, Tower of, i. 91
Baden, ii. 170, 214
Baden-Baden, i. 201; iii. 265
Badische Anilin Gesellschaft, ii. 214-15, 282
Bailey, Sir Abe, iii. 212, 253
Balance of power, ii. 75, 168, 186, 238
Balance of trade, iii. 131
Baldwin, Rt. Hon. Stanley, i. 51; ii. 137, 219-22, 256, 261-2, 277, 284
  American settlement, iii. 60
  Pipe-smoker, iii. 46

Baldwin, Rt. Hon. Stanley—*continued*
  Premier, iii. 113, 168 *n.*, 282
  Relations with Curzon, iii. 55
  Resigns in January 1924, iii. 54
Balfour, Rt. Hon. A. J. (Earl of Balfour), i. 216, 221; ii. 86, 116, 146, 221; iii. 153, 155, 212, 265
  Appreciation, i. 42-5
Balkan Federation, a new, i. 190
Balkan peoples, ii. 108, 259
Balkans, iii. 39
Ballin, Herr and Frau, ii. 211
Baltic, the, iii. 101, 150
Banbury, Sir F. (Lord), ii. 221
Bank of England, i. 315; iii. 37
Barrère, M., i. 202
Barthélemy, General, i. 306-7
Barthou, M., i. 180, 292-4; ii. 124-6; iii. 109
Bauer, Colonel, i. 172
Bauer, Herr, iii. 139
Bavaria, i. 88, 93-5, 126, 182; ii. 51-3, 78, 80, 101, 170, 208, 231, 267, 270, 273-5; iii. 2
Bavarian People's Party, iii. 161
Beaconsfield, Lord, i. 82, 204
Beardsley, Aubrey, iii. 153
Beatty, Admiral, i. 218
Behrenstrasse, Berlin, i. 220
Bela Kun, i. 317
Belgians, King of the, iii. 38
Belgium:
  Anglo-Belgian Pact, i. 244, 248-9, 254, 260
  Brussels Experts' Conference, i. 28, 30, 78-9, 90, 100-7, 116-17, 136-7
  Cannes Conference, i. 243
  Chargé d'Affaires in Berlin, ii. 152
  Coast, iii. 52
  Commercial alliance with England, i. 205
  Commercial negotiations, iii. 95, 106
  Cuno Proposal, iii. 128
  Eupen-Malmedy, iii. 222
  Exports tax, i. 134, 146
  French diplomacy, iii. 247 *n.*
  French influence, i. 135, 285
  Genoa Conference, i. 292-3
  German capacity to pay, i. 100, 118, 146
  German diplomatic protests, i. 285
  League of Nations, iii. 232
  London Conference (1922), ii. 137-8; (1924), iii. 88
  Neutrality violated, iii. 38-9, 87, 190 *n.*, 261, 265
  Pact of Mutual Security, iii. 180 *n.*
  Paris Conference, i. 105; (1923) ii. 149-50
  Reparation Bill Acceptances, ii. 299, 306
  Reparation priority, i. 56, 226, 231, 248
  Reparations policy, ii. 239, 249
  Restoration, iii. 17
  Ruhr occupation, ii. 2, 194-5; iii. 2, 22, 47, 89, 175
  Spa Conference, i. 28, 56
  Suggested unilateral agreement, iii. 167 *n.*
  Treaty of 1839, iii. 149
  War, iii. 38, 40 *n.*
Beneš, Dr. Eduard, i. 219, 271; ii. 53, 82, 83; iii. 34-5, 44, 64, 170, 192, 281
Berchtold, Count, iii. 97
Beresford, Admiral Lord, i. 82, 97
Bergmann, Dr., i. 100, 102-3, 107, 110, 113, 136; ii. 93
Bergson, Professor, i. 206, 216
Berlin, i. 16, 76, 86, 88, 90, 141, 217, 220, 257; ii. 3, 48, 59, 81, 97, 123, 196, 204, 212, 224, 268, 270; iii. 1, 8, 11, 23, 28, 36, 39, 43, 45, 50, 56, 58, 79, 94, 109-10, 115, 142, 152, 157-8, 189, 200, 250, 268
  American Embassy, iii. 49, 193
  An American city, ii. 102
  British Embassy, iii. 11, 15, 36-7, 152, 259
  Communists, ii. 116, 230
  Czecho-Slovakian Minister, iii. 64

Berlin—*continued*
  Gate to the East, ii. 98
  Press, iii. 69
  Social conditions, iii. 36, 81-2
  Theatrical and artistic world, iii. 242-3
  Threat of French occupation, ii. 232, 266-7
  Vorowsky funeral, ii. 214
Berliner Tageblatt, i. 148, 268; ii. 251, 256; iii. 64, 69, 216
Berne, iii. 234
Bernhard, Herr Georg, ii. 204-5, 251, 312; iii. 109, 115
Berthelot, M., i. 206; iii. 189
Bessarabia, iii. 101, 247 *n.*, 252
Bethmann-Hollweg, Dr. von, i. 97, 268; iii. 190 *n.*
  Biographical note, i. 97
Birkenhead, Lord, i. 234, 243; ii. 110, 116, 145-7; iii. 155
Bismarck, Prince, i. 82, 91, 191, 204, 266; ii. 39, 57, 167, 183, 210, 213, 237, 241-2; iii. 20, 27, 68, 163 *n.*, 234, 261
  German ingratitude, iii. 69-70
  Hatred of Empress Frederick, iii. 143
  Personal relations, iii. 144-5, 227
  Policy, iii. 267
Bismarck, Prince Herbert, ii. 241
Björko, iii. 96, 263
Black Forest, i. 295
Black Sea, ii. 99, 108, 120, 131; iii. 44
Blackett, Sir William, i. 302, 307; ii. 87
Bleichroeder, Herr, i. 92, 266; iii. 69
Bolsheviks, i. 20-3, 46-7, 69-70, 74-5, 78, 82, 87, 94, 183, 188, 254, 303, 306, 311-14, 318
Bolsheviks and Bolshevism, ii. 115-16, 119, 134-5, 142-3, 171, 173, 214, 226, 230-1, 235
Bonn, Professor, i. 123; iii. 115
Bonn University, iii. 228
Bonner Preussen Corps, iii. 228
Bonomi, Signor, i. 141, 199, 202, 243
  Biographical note, i. 199-200
Borchardt's restaurant, iii. 217
Borussia Corps, iii. 228
Bosdari, Count, iii. 166, 168 *n.*
Bosnia-Herzegovina, i. 198
Bottazzi, M., i. 244
Boucher quoted, ii. 19
Boudin, iii. 152
Boulogne, ii. 7, 11; iii. 21
Boulogne Agreement, i. 73, 115, 118, 135-6
Boulogne, Poincaré and Lloyd George at, i. 263, 309
Bourgeois, M. Léon, i. 112
  Biographical note, i. 112
Boyden, Mr., i. 228; ii. 47
Bradbury, Sir John (Lord), i. 107, 163, 228; ii. 56, 84-6, 89-91, 95-6, 130, 149, 320; iii. 46, 109, 115
  Lord D'Abernon's Appreciation, ii. 91-2
Brand, Hon. R., ii. 126, 140, 162, 310; iii. 109, 115
Brandenburg, Herr, iii. 163
Braun, Dr., iii. 161
Brazil and League of Nations, iii. 225, 229-37, 248-9, 260 *n.*
Breitscheid, Herr, i. 176, 206-7; ii. 204-5, 208
  Biographical note, i. 206
Brenner frontier, iii. 224
Bresciani on economic crisis of 1923, ii. 283 *n.*
Breslau, i. 172
Brest-Litovsk, i. 257, 306; ii. 153-4, 177 *n.*, 182, 191
Briand, M. Aristide, ii. 7, 26, 141
  Appreciation, i. 41-2
  Conciliatoriness, iii. 189, 192, 195, 201
  German-Russian Agreement, iii. 246, 251
  Golf at Cannes, i. 245
  Jurists' Conference, iii. 180 *n.*
  League of Nations, iii. 228, 231-3, 235, 240-1, 248-9, 261 *n.*

Briand, M. Aristide—*continued*
  Pact of Mutual Security, iii. 8, 14, 16-17, 134, 161
  Premier, i. 105, 111, 115, 125, 133, 141, 145, 162, 180, 185, 194, 199, 215, 231, 237, 243-7
  Reply to German Note, iii. 164, 166, 171, 174, 181-2, 186
  Resignation, i. 249; iii. 228
  Russia, iii. 200, 215
  Stresemann, iii. 212, 266
  Suggested unilateral agreement, iii. 167 *n.*
  Thoiry conversation, iii. 266
  Treaty of Locarno, iii. 211, 221, 280-5
  War guilt, iii. 190
Britain, *see* England.
British Dominions, i. 38
  Appeal to, ii. 109
Brockdorff-Rantzau, Count, ii. 216; iii. 44, 163, 165
Bromberg, iii. 150
Brussels, i. 56, 78-9, 90, 110; iii. 71, 182, 189
  Conference, i. 28, 30, 78-9, 90, 100-7, 116-17, 136-7
  Experts, ii. 6, 93
Bucharest, i. 191; iii. 249
Bulgaria, i. 229-30; ii. 107; iii. 101
Bulgarian front, iii. 62
Bülow, General von, i. 272
Bülow, Prince von, i. 82, 88, 91-2; ii. 212, 268; iii. 20, 217
  Conversation with Lord D'Abernon, iii. 261-3
  Relations with Kaiser, iii. 96-7
Bülow, Princess von, i. 91; ii. 268-9
Bülow, young, ii. 217

Calais, ii. 11
Cambon, M. Jules, ii. 277-8
Cambon, M. Paul, i. 94
Campbell-Bannerman, Sir H., i. 43
Canada, iii. 32
Cannes Conference, i. 231, 237, 239, 243-8, 308-9; iii. 6
Canning, iii. 29
Caporetto, i. 197
Cassel, Professor, i. 187; ii. 114, 126, 128, 131, 140, 162, 310-11; iii. 109-10, 115, 130-1
Castlereagh, iii. 29
Casus belli, iii. 21, 167 *n.*
Catherine the Great, i. 82
Cavan, Lord, ii. 217
Cave, Lord, ii. 222
Cecil, Lord Robert, ii. 75, 261; iii. 266
Cecil Committee, iii. 258, 260 *n.*
Chamberlain, Joseph, iii. 265, 267
Chamberlain, Sir Austen, i. 51; ii. 116; iii. 17
  Appreciation, iii. 21-6
  Commercial Treaty, iii. 113, 115-16, 275
  Cordiality to Lord D'Abernon, iii. 202
  Finance, iii. 176
  Foreign Secretary, iii. 107, 113
  Geneva Protocol, iii. 155
  German policy, iii. 194-5, 201, 212, 222-3, 240, 249
  Jurists' Conference, iii. 180, 186, 194
  League of Nations, iii. 228, 231-2, 235, 237, 266
  Pact of Mutual Security, iii. 7, 8, 135-9, 154, 156-7, 164, 170, 172, 181, 209-10
  Suggested unilateral pact, iii. 155, 167 *n.*
  Treaty of Locarno, iii. 195, 211, 233, 280-5
Chamberlain, Lady, iii. 192
Chanak, ii. 106, 108-9
Chardin, ii. 19
Charlier, M., i. 299
Charlotte, Princess, iii. 143
Charlton, Admiral, i. 285
Cheka, the, i. 313
Chemical warfare, iii. 165
Chequers Court, i. 134; iii. 70, 99
China, iii. 191, 201, 231, 260 *n.*
Chinese saying, iii. 91

Cholin, M. ("Monsieur la Misère"), ii. 268–9
Churchill, Lord Randolph, i. 42
Churchill, Rt. Hon. Winston, i. 118, 157, 159; ii. 87, 116, 145-6; iii. 10, 155, 212
  Appreciation of, ii. 34-8
  Conversations with Lord D'Abernon, iii. 116-17, 255-6
Cicero, i. 49
Clark, Sir William, i. 299
Clemenceau, M., ii. 67, 125; iii. 150
Clémentel, M., iii. 88, 105
Clive, Colonel, ii. 204
Coal from Germany, i. 58, 65-7, 106
Coblenz, i. 208; ii. 161
Coblenz zone, iii. 122
Collins, Sir Godfrey, iii. 104
Cologne, i. 77-8, 218, 295-6; ii. 65-6, 164
Cologne zone, iii. 83, 122, 135, 145, 151, 162, 168, 183, 189, 193, 202-4, 207 *n.*, 209, 218
Colonial Mandate, iii. 169, 212, 220
Commercial Secretaries, iii. 31
Commercial Treaty, iii. 102, 105-8, 112-18, 181, 185, 187, 205-7, 273-5
  Lord D'Abernon's Address to German delegates, iii. 269-72
Committee of Imperial Defence, iii. 121
Commons, House of, iii. 103-5, 248, 265
Communism, i. 20-3, 87, 92, 183, 257
Communists and Communism, ii. 83, 116, 119, 135, 167, 169, 215–16, 226, 230-1, 235, 251, 276, 281; iii. 161-2, 184-5
  Russian Communist Report on Ruhr, ii. 174-7
Compiègne, i. 272
Constantinople, i. 97, 173, 190-1; ii. 106, 110, 117, 132, 146, 185, 235
Constantinople, German Embassy, iii. 62
Control Commission, i. 159, 208, 242, 286, 318; ii. 59, 73-4, 160, 167-8, 275; iii. 57-8, 76-7, 193, 208-9
Corday, Charlotte, ii. 15
Corfu bombardment, ii. 261
Creil, i. 272
Creusot works, ii. 188-9
Crewe, Lord, ii. 261, 277-8; iii. 133, 154, 208
Crowe, Sir Eyre, i. 140
Crown Prince, i. 222; ii. 267, 269, 271, 277; iii. 67, 80, 227
Cunliffe-Lister, Sir Philip, iii. 107
Cunliffe, Lord, i. 128
Cuno, Dr. W., i. 193-4, 257; ii. 132-4, 138, 141, 144, 153, 155-7, 159, 169, 173, 183-4, 191, 203, 207-8, 217-19, 228-9, 232, 280, 287
  American visit, iii. 75
  Biographical note, i. 193
  Finance, iii. 108
  Proposal of Pact of Non-Aggression, iii. 6-7, 121, 125, 127-9, 137, 276, 278
Currency, ii. 120, 122-4, 283-4
  Commission, iii. 109
  Four Experts' Report, ii. 126-9, 131, 136, 144, 162, 195
  German, its collapse and recovery, ii. 291-327; iii. 2, 4, 12, 42-3, 114-15, 130, 255, 258
  Inflation, i. 264
Curzon of Kedleston, Marquess, i. 42; ii. 8, 10, 106, 110, 145–7, 165, 172, 185, 202, 207, 209, 217–22, 225, 245, 249, 256, 261–2, 277–8
  Appreciation, i. 48–52
  Congratulates Lord D'Abernon, i. 71
  Dispute with Poincaré, ii. 111–12
  ex-Minister, iii. 30, 54-5, 102
  Foreign Secretary, i. 29, 53-4, 62, 66, 69, 140, 144, 156, 159, 169, 221, 243; iii. 12, 34, 59, 209

Curzon of Kedleston, Marquess—*continued*
  Knowledge of French, i. 62
  Leader in House of Lords, iii. 113
  Obituary, iii. 148, 154
  Opposed to unilateral defensive pact, iii. 155
  Premiership disappointment, ii. 221-2
Curzon, Lady, iii. 102
"Curzon Line," i. 69
Cust, Mr. Henry, i. 42
Czar (Nicholas II), i. 190-1; ii. 64, 180, 181
Czecho-Slovakia, i. 46, 58, 82, 208-9, 217, 224, 227, 270, 304; ii. 80, 90, 100-2, 142-3, 169, 181, 259; iii. 34-5, 64, 101, 151, 170, 182-3, 192, 194, 247 *n.*
Czernin, Count, ii. 182

D'Abernon, Viscount:
  Appointed Ambassador at Berlin, i. 53-6; term prolonged, ii. 45; contemplates resignation, iii. 90, 202, 244
  Appreciation, iii. 202, 260-1, 268
  Conversations: with an Allied diplomat, i. 85-6; with American Ambassador, ii. 92; Austrian statesman, ii. 101-3; Balkan specialist, ii. 259-60; Barthou, ii. 124-6; a Bavarian, i. 87-8; Bergmann, i. 102-4, 114; Bradbury, ii. 84-5, 95-6; a Bulgarian, i. 229-30; Bülow, iii. 261-3; business man, ii. 105; Cassel, iii. 130-1; Chamberlain, iii. 115-16, 172-3, 249; Churchill, iii. 116-17, 255-6; colleagues, ii. 70-1, 195-6; Continental steel authority, ii. 165; Cuno, ii. 156, 217-18, iii. 128-9; Dawes, iii. 49-50; Dernburg, i. 149; Deutsch, i. 91; Dillon, iii. 97-8; Director of Baden Aniline Factory, ii. 214-15; Dresel, i. 121, 123; Ebert, ii. 258; Eckardstein, ii. 241-2, iii. 263-6; a French Statesman, i. 159-60; Gary, ii. 188-90; a German acquaintance, i. 282-3; German diplomats, i. 80-2; a German financial delegate, i. 101-2; a German financier, i. 95-7; German officials, i. 182-4, 303-5; a German personality, i. 240-1; a German specialist on Eastern and Turkish affairs, i. 171-3, 190-2; Germans, ii. 152-3, 225-6; Hodgson, iii. 190-1; Hoffmann, ii. 177-82, iii. 50-2; Houghton, iii. 59-60; Hughes, iii. 84-5; Hummel, ii. 80-1; Jaspar, i. 105; a journalist, iii. 96-7; von Kahr, i. 94-5; Kerr, iii. 150-1; Kessler, iii. 75-6; Keynes, i. 186-7; Kindersley, iii. 46-7; von Kluck, i. 271-6; Kühlmann, iii. 37-42, 61-3; Laurent, i. 78-9, ii. 76; Bonar Law, ii. 137-40, 185; Lecquis, i. 196-8; Le Rond, i. 313; Lichnowsky, i. 147-8, ii. 173-4; Lloyd George, i. 127-8, 139-40, 184-5, ii. 45, 106, 146, 185; Loebe, i. 98-9; Loucheur and Doumer, i. 115-16, 118, 132-3, 144; Luther, iii. 135, 147-8; MacDonald, iii. 58-9; Maltzan, i. 238-9, 319-22, ii. 121-2, 141-2, 166, 172-3, 215-17, 234-5, 251, 253-4, 269-70, iii. 43-5, 67, 73-4, 93-4, 119-20; Margerie, ii. 151-2, iii. 87-8, 198, 233-4, 245-8; member of British Mission at Moscow, ii. 118-20; Military authority on native troops, ii. 246; Millerand, i. 106-7; Norman, iii. 176; Observer in Berlin, iii. 79-82; Official, iii. 143-4; Poincaré's friend, ii. 227-8; Rathenau, i. 193-4, 202-3, 207-8, 225-6, 237-8, 254-7, 265-7, 269-71, 279-80,

D'Abernon, Viscount—*continued*
285-6, 289-91; Rosen, i. 178, 184, 189, 198, 207; Rosenberg, ii. 150-1, 153-4, 183-5, 190-1, 207-10, 217-19, 226-7; Schacht, ii. 276-7, iii. 218-21; Schiele, iii. 199; Schubert, ii. 244-5, iii. 121, 201-2, 210-11, 223, 266; Simons, i. 121-3, 125-6, 129-30; von Simson, ii. 77; Stresemann, ii. 115, 205, 231-2, 236-7, 247-9, 252-3, 267, 269, 272, 286, iii. 13, 16, 37, 56-8, 68-70, 98-101, 132, 145-7, 167-70, 173, 214, 222, 227-8, 240-1, 259-60; Tagore, i. 179-80; Tardieu, i. 76-7; Tchitcherin, ii. 63-5, 81-3; Tiark, i. 315-16; a Turk, ii. 131-2; Tusar, i. 284-5, ii. 53-4, 142-3, iii. 35-6; Weizmann, i. 235-7; Weygand, i. 108-9, ii. 107-9; Wilhelmstrasse, iii. 173, 234, 251; Wirth, i. 83-4, 181-2, 230, ii. 57-8, 73-4, 84, 89, 114, 124-6, 130-1, iii. 161-3; Young, iii. 49-50
Criticism of Loucheur's plan, ii. 192-4
Diary, i. 3, 35; iii. 1, 9, 16, 121
Diary and plan of book, ii. 10
"Diplomacy assisted by Art," iii. 15-16, 152-3, 222
Disarmament, i. 224-5
Embassy building, iii. 36-7
Frenchman on Poincaré, ii. 260-1
Friendship with Curzon, iii. 148; with Stresemann, iii. 10-12
German Currency, its Collapse and Recovery, ii. 291-327
German intellectual world, i. 204-6
German Reparation offer, ii. 202-3, 206
Germany in September 1921, i. 209-14
Golf, i. 220
Inviolability of English Channel, iii. 177-8
"Iron curtain," iii. 101, 177, 211, 222
Letter from Wirth, ii. 67-70
London, ii. 185, 219-23
London Conference, i. 130-2
London meeting with German delegates, i. 134
Mission to Warsaw, i. 46-7, 69-71
Nations classified, ii. 259
Paris Conference, i. 142-4
Poetry, i. 261, 263
Poincaré's bid for Japanese alliance, ii. 254-6
Racehorses, iii. 103
Rapallo Treaty, i. 293, 296-8, 305-10
Reparation aphorisms, iii. 52-3
Reparations, i. 101-5
Reparations Question, ii. 237-8
Report on financial situation of Germany, i. 71-5
Results of Ruhr occupation, ii. 196-201, 263-5
Royal Statistical Society paper, i. 31
Ruhr occupation fatal, i. 158
Security, iii. 209
Sir Abe Bailey, iii. 212, 253
Stresemann's four questions, i. 164-8
Temps, Le, ii. 207
Theatrical and artistic world, iii. 242, 253
Treasury officials, ii. 91-2
Treaty of Commerce, iii. 102, 106, 112, 113-18, 185, 187, 205-7, 269-75
Treaty of Locarno, iii. 6-9, 16, 18, 25, 192-5, 199-204, 215, 218-19, 221-3, 232-3, 244, 251, 257, 260, 276-85
Valedictory demonstrations, iii. 268
Verses on Currency, ii. 123-4
What Germany should offer, ii. 203-4
Wiesbaden Agreement, i. 214

Daily Chronicle, i. 234
Daily Herald, i. 188
Daily Mail, i. 304
Daily Telegraph, i. 248; ii. 190; iii. 154
Danes, the, ii. 212
Danzig, i. 46, 82, 183, 271; iii. 88, 101, 149-50
Dardanelles, i. 190, 192, 229; ii. 7, 36-7, 119, 131-2; iii. 61-2
Daru, M., ii. 117
"Das Kind," iii. 121 *n.*, 151, 153, 210
Dawes, General, ii. 6; iii. 46, 49-50
Dawes Plan, i. 30; ii. 6, 9, 10, 26; iii. 9, 14, 18, 32, 70-2, 77, 85, 89-91, 100, 120, 130, 139, 204, 209, 244, 259-60
Dawson, Mr. Geoffrey, iii. 212
Dawson's training stable, iii. 103
Decazes, iii. 217
Degas, iii. 152
Degoutte, General, i. 58; ii. 175, 261
Delacroix, M., i. 56, 64, 107-8, 226, 228
Delcassé, M., iii. 263
Deliveries in kind, ii. 195, 206 *n.*, 250, 264
Demonax, i. 43
Denikin, General, i. 268
Derby, Lord, ii. 145
Dernburg, Herr, i. 149
Deutsch, Herr, i. 90-1; ii. 251
Deutsche Bank, ii. 171; iii. 13
Diamandy, M., ii. 110
Dictatorship, ii. 275
Die Entlassung, ii. 210
Dillon, Dr., iii. 97-8
Dion Chrysostom, i. 45
Diplomacy:
  Assisted by Art, iii. 15-16, 152-3, 222
  English, iii. 12, 24-5, 44, 208
  French, iii. 189, 198, 230
  German, iii. 27-8, 139, 145, 163-4, 182, 189, 192, 195, 208, 268
  Languages, iii. 30, 214
  Russian, iii. 28, 198, 200-1
  Secret, iii. 7-8, 140-3, 210
Disarmament, i. 57, 63, 78, 92, 106, 159, 199, 212, 224, 287, 312; ii. 167-8, 186; iii. 5, 77 *n.*, 120-3, 132-3, 138, 162, 166, 168, 202, 208, 230
Disraeli, iii. 153
Djemal Pasha, i. 81 *n.*
Dohna, Prince, ii. 210-11
Doorn, iii. 63
Doumer, M., i. 105, 115, 118, 124, 145, 147
Downing Street, i. 139, 309, 319; ii. 146; iii. 29, 30
Dresden, ii. 273, 276
Dresel, Mr., i. 18, 121, 123, 151
Dreyfus trial, ii. 252
Drink control, iii. 84, 116-17
Drinkwater, Mr. John, iii. 104
Drummond, Sir Eric, iii. 146-7, 224
Dubois, M., i. 79, 110, 226, 228, 230; ii. 56, 131, 133; iii. 109-10, 115
Duca, M. I. G., iii. 289
Duelling, iii. 228
Dufour, Herr, i. 299
Duisburg, i. 127, 129, 140, 160, 165, 168, 295; iii. 146, 175, 182
Düsseldorf, i. 127, 129, 140, 165, 168, 178, 295; iii. 175, 182
Dutch frontier, i. 296

East Prussia, ii. 270
Ebert, President, i. 54-6, 156, 284, 304, 307, 314; ii. 52, 115, 141, 151, 254, 258, 271, 274, 281; iii. 36, 67, 69, 84, 119, 135
  Biographical note, i. 304-5
  Death, iii. 160
Ebert, Frau, iii. 36
Ecclesiastes quoted, ii. 22
Eckardstein, Baron von, i. 204; ii. 212, 241; iii. 263-6
Edward VII, King, i. 204; iii. 64, 86, 143-4, 262-3, 265
Egypt, i. 288-9; ii. 288
Einwohnerwehr, i. 78, 87, 92-4, 108 160, 182

Encirclement, iii. 263, 267
England:
  America, i. 235, 241; ii. 50, 154-6, 188-9, 278-9; iii. 25-6, 32, 44
  Arbiter, iii. 209-10, 268
  Asia, i. 22-3, 211
  Baldwin Premier, ii. 219-22
  Belgium, i. 105, 244, 248-9, 254, 260; iii. 38, 87, 265
  Bonar Law Premier, ii. 116
  Continental hostility, iii. 52, 179
  Crown Prince as war criminal, ii. 271, 277-8
  Debt charge, iii. 49
  English character compared with French, ii. 11-18
  France, i. 80, 185, 227, 244, 247, 259, 263, 294, 314, 317; ii. 7-10, 109-12, 138-9, 146, 161, 165, 186-8, 228, 239, 261-2, 284-5; iii. 21-6, 38, 70-2, 78, 155, 158-60, 167 *n.*
  General Elections, iii. 54, 113
  German views, i. 13, 15-16, 19, 179-80
  Germany, i. 27-9, 37, 80, 82, 98, 184, 196, 203-4, 207, 210-13, 221; ii. 58, 69-70, 75, 135, 184, 202, 205, 209, 225, 227-9, 233-5, 238, 244-5, 280, 287-8; iii. 13, 24, 128-9, 145-6, 219
  Greece, i. 316
  Holstein's hostility, iii. 217-18
  Ireland, i. 207, 235; iii. 222
  Italy, i. 202, 246
  Japan, ii. 253-6
  Jews, ii. 251-2
  Labour Government, ii. 284
  Lausanne Conference, ii. 147-8, 166, 170
  London Conference (1922), ii. 137-8
  National Debt, i. 32
  Occupied area, i. 215
  Opinion on Ruhr occupation, ii. 1, 24
  Paris Conference (1923), ii. 149-50
  Poland, i. 46-7, 69, 78, 232
  Reparations, ii. 94, 137, 207, 228, 246-8, 264-6
  Rhineland Commission, ii. 160-2
  Ruhr policy, ii. 265
  Russia, i. 22, 185, 188, 211, 251-2, 262, 317; ii. 98-9, 101, 119, 178, 216, 252
  Soviet, iii. 43-4, 104, 190-1
  Sport, i. 8
  Trades Unions, ii. 188
  Troops in Germany, ii. 160-1, 164
  Turkey, i. 81, 174, 191-2, 317; ii. 105, 109-13, 131-2, 148, 166, 170
  War Debts, ii. 86, 138, 149
  William II, iii. 64, 86, 143-4, 262
  World policy, ii. 256-7
  (*See also* Commercial Treaty, League of Nations, Locarno, London Conference, Pact of Mutual Security.)
English Channel as "iron curtain," iii. 177-8
Entente, Petite, iii. 158, 252
Enver Pasha, i. 81, 173-4, 192
  Biographical note, i. 192-3
Epictetus, i. 43
Erzberger, Herr, i. 170, 204, 229; ii. 49, 115, 144
  Biographical note, i. 170
Essen, ii. 150-1, 154, 196; iii. 4
Esthonia, i. 106
Eulenburg, Prince, ii. 213, 241
Eupen and Malmedy, ii. 68; iii. 222
Europe, iii. 61, 267
Experts' Report, iii. 63, 65-7, 73

Facta, Signor, i. 292
Fehrenbach, Dr., i. 59, 63, 79-80, 150, 175
Fellinger, Dr., ii. 308
Ferdinand, King, i. 229
Financial control, i. 288
Finlayson, Mr. H. C. F., ii. 291 *n.*
Fischer, Herr, i. 243
Fisher, Admiral Lord, i. 97
Fisher, Rt. Hon. Herbert, ii. 204-5

Foch, Maréchal, i. 45, 58, 66-7, 80, 157, 275; ii. 163, 267, 272, 279; iii. 35, 52
Foreign Affairs Committee (German), iii. 181, 259
Foreign Office (British), iii. 7, 25-6, 29-32, 34, 37, 54-5, 59, 65, 141, 149, 155, 211, 225
Foreign Office (German), *see* Wilhelmstrasse.
Fortune-telling, iii. 13
Fountain, Mr., i. 299
Fragonard, ii. 19
Franc, fall of the, iii. 44, 55
Franc, stabilisation of, ii. 26, 44
France:
  Alsace-Lorraine, iii. 6, 24, 184, 222
  America, i. 110, 111, 154; ii. 165, 285; iii. 60, 76, 85, 244
  Art and literature, i. 15
  Belgium, i. 135, 231, 248, 285; iii. 95, 167 *n.*
  Brazil, iii. 235, 249
  Character of French people, ii. 11-20
  Czecho-Slovakia, iii. 34-5, 64, 192
  England, i. 80, 124, 185, 227, 244, 247, 259, 263, 294, 314; ii. 7-10, 109-12, 138-9, 146, 161, 165, 186-8, 228, 239, 261-2, 284-5; iii. 21-6, 38, 70-2, 78, 88-9, 155, 158-60, 167 *n.*, 254
  Finance, iii. 44, 55, 60, 131, 256
  Germany, i. 210-14, 217; ii. 24, 46, 72-3, 76-7, 84, 87, 159, 170; iii. 2-9, 13, 18, 52, 82, 87, 126, 128-9, 140-2, 154, 172-5, 179, 246, 248, 266, 268
  Herriot Mission to Moscow, ii. 121-2
  Italy, i. 202; iii. 249
  Japan, ii. 216, 253-6
  Language, i. 62, 159, 163, 287
  Military Missions, ii. 181, 259, 289
  Military preparedness, ii. 196
  Occupied area, i. 215
  Poland, i. 46-7, 69-70; ii. 80, 100, 107-8, 223, 289; iii. 14, 35, 45, 100, 150, 192, 194, 231-2, 241
  Policy, i. 76, 317
  Rumania, ii. 83, 102, 107, 109-11, 289
  Russia, ii. 64, 100-1, 121-2, 147; iii. 35, 45, 198, 201, 246
  Washington Conference, i. 219, 243
  Yellow Book, ii. 242
  (*See also* Locarno, Ruhr occupation, Security.)
Franco-Russian Alliance, ii. 238
Francqui, M., i. 105; iii. 46
Frankfurt, i. 90
Frankfurter Zeitung, i. 281; iii. 100
Franklin-Bouillon, M., i. 244; ii. 111
  Agreement, i. 251
Frassati, Signor, i. 123, 187, 202
Frederick, Empress, iii. 69, 143, 262
Free Trade, iii. 102, 106, 112-13, 117-18, 185, 269-71
Freemasons, i. 306
French, Lord, i. 275-7
Frick, M., ii. 166
Fromageot, M., iii. 180 *n.*
Fürst, M., i. 146
Fürstenstein, iii. 33-4

Gainsborough, iii. 153
Galliéni, General, i. 276-8
  Biographical note, i. 276-7
Galliffet, Général de, iii. 51
Gary, Judge, ii. 188-90; iii. 84
Gas in warfare, i. 196
Gaus, Dr., i. 302; iii. 151, 180 *n.*, 187, 189
Geddes Committee, i. 288
Geneva, i. 74, 78, 90, 214, 216, 219, 235; iii. 154, 227, 258-9, 266
  Atmosphere, iii. 182, 224, 236, 240
  English weakness, iii. 146
  French influence, iii. 225
  (*See also* League of Nations.)
Genoa, ii. 7, 45, 116, 118, 135, 235; iii. 79, 184

Genoa Conference, i. 39, 244-5, 250-1, 253, 256, 261-4, 290, 292-310, 314, 317-21
George, H.M. King, ii. 221-2; iii. 212
German character, iii. 27-8, 42, 69, 139, 145, 175, 182, 189, 192, 195, 208, 268
German Currency: its Collapse and Recovery, ii. 291-327
German language, iii. 214
German literature, iii. 19
German-Russian Agreement, iii. 245-9
Germany:
  Afghanistan, iii. 212
  America, i. 29, 153, 204, 212-14, 257, 270, 283; iii. 120, 128, 220, 244-5
  Anschluss, ii. 89-90, 101-3
  Army, ii. 168-9, 181, 272
  British troops, ii. 160-1, 164
  Budget reform, ii. 174
  Character of people, i. 6-17, 59-60, 179-81, 202, 205-6, 209-10
  Conditions, i. 209-14, 282-3
  Corruption, iii. 80
  Diplomatic weakness, ii. 211-12, 227
  Disarmament, ii. 167-8
  England, i. 27-9, 37, 80, 82, 98, 184, 196, 203-4, 207, 210-13, 221; ii. 58, 69-70, 75, 135, 184, 202, 205, 209, 225, 227-9, 233-5, 238, 244-5, 280, 287-8; iii. 13, 24, 128-9, 145-6, 219
  Finance, ii. 2-5, 55-7, 59, 97, 122-4, 162-3, 192-201, 239-40, 249, 276-7; iii. 2, 4, 42-3, 45, 95, 108, 110-12, 114-15, 126, 130-1, 176, 218-21
  France, i. 211-15; ii. 24, 46, 72-3, 76-7, 84, 87, 159, 170
  Language, i. 10; ii. 78, 154, 211-12
  League of Nations, ii. 10, 45-6, 51, 57-8, 62, 67-70, 75, 78, 217
  Peace Pact, ii. 154-7
  Poland, ii. 158; iii. 14-15, 45, 226, 258
  Reparations offer, ii. 202-11, 217
  Russia, i. 91, 213, 293, 296-311, 314, 319-22; ii. 40-1, 46, 117-18, 121-2, 147, 159, 191, 226
  Statesmen, ii. 287
  Turkey, i. 171-4
  Year of crisis, ii. 290
  (*See also* under League of Nations, Locarno, Ruhr occupation.)
Gerothwohl, Professor Maurice, i. 2
Gessler, Dr., i. 60, 63; ii. 52, 230; iii. 161, 165, 176, 188
  Biographical note, i. 60-1
Giannini, Signor, i. 300
  Biographical note, i. 300
Gibbon, Edward, i. 48
Giers, M. de, i. 190-1
Gladstone, Rt. Hon. W. E., i. 43; iii. 153
Godley, General, ii. 162
Goeben, i. 172-3, 192
Goethe, i. 8, 9; ii. 80; iii. 19
Gold standard, iii. 255
Gorst, Sir John, i. 42
Gortchakoff, Prince, ii. 173
Goschen, Mr. (Lord), i. 53
Gounaris, M., i. 244
Goya, ii. 38
Grabski, M., i. 58, 69
Grahame, Sir George, i. 100
Grandi, Signor, iii. 88
Granville, Lord, iii. 29
Graudenz, i. 82
Greece, i. 106, 126, 192, 230, 288, 316; ii. 105-6, 109-11, 261, 282
Greek life, iii. 11
Gregory, Mr. J. D., i. 298-9
Grey of Fallodon, Lord, i. 1, 62; iii. 37, 40, 86-7, 157, 261
Grimm, Baron, i. 82
Groener, General, i. 222

Hague, The, i. 294; iii. 18, 38, 121
Hague Tribunal, ii. 217
Haguenin, ii. 253
Hahn, Herr Victor, ii. 251

Haig, Lord, i. 276; iii. 40 *n.*
Haldane, Lord, ii. 41; iii. 37, 40
Haller-Korfanty clique, ii. 142
Hamburg, i. 193-4; ii. 270, 276; iii. 128, 151
Hamburger Nachrichten, iii. 70
Haniel, Herr von, ii. 104, 141
Hankey, Sir Maurice, i. 163; iii. 99
Hardinge, Lord, ii. 111-12
Harington, General Sir Charles, ii. 111
Harriman, Mr., ii. 43
Harvey, Colonel, i. 244
Hassel, Herr, iii. 176
Hastings, Sir Patrick, iii. 103
Havas Agency, iii. 167, 169
Havenstein, Herr, i. 31-2, 315-16; ii. 44, 57, 124, 239-40, 249, 276, 280, 292-3, 297; iii. 108, 110-11
Hayashi, Baron, iii. 88
Heidelberg, ii. 214
Heims, Elsie, iii. 242
Heine, i. 11
Heinze, Dr., ii. 231
Held, Dr., iii. 161
Helfferich, Herr, i. 129, 204; ii. 5, 43-4, 47, 49, 219, 280, 297, 312, 316; iii. 4, 110-11, 161
  Biographical note, i. 129
Henniker, General, i. 178
Henry of Prussia, Prince, iii. 143
Hensch, Major, i. 272-3
Heraclea, i. 190
Hergt, Herr, iii. 67, 259
Hermes, Herr, ii. 145, 203, 300-2; iii. 75
Herrick, Mr. Myron T., ii. 278
Herriot, M., i. 30; ii. 26, 121-2, 262; iii. 7, 14, 68, 70-2, 78, 83 *n.*, 85, 88, 90, 99, 105, 134-5, 140-2, 154-5, 168, 181, 210, 278
Hilferding, Dr., ii. 234, 237, 240-1, 248-9, 302
Hiller's Restaurant, Berlin, ii. 204
Hindenburg, Marshal von, i. 88, 222, 224, 271; ii. 41; iii. 161-2, 164-5, 169, 191-2, 195-210, 218, 223, 257
Hirsch, Herr, ii. 96, 312
History "mostly lies," ii. 178-9
Hitler, Herr Adolf, ii. 41, 51, 230, 270; iii. 50, 56
  Biographical note, ii. 51-2
Hodgson, Mr., iii. 190-1
Hoesch, Dr. L. von, iii. 7, 140, 246
Hoefer, General, i. 141, 196
Hoetzch, Dr., i. 281
  Biographical note, i. 281
Hoetzendorff, General Conrad von, ii. 181; iii. 39, 51, 86
Hoetzsch, Herr, iii. 199
Hoffmann, General, ii. 41, 177-82; iii. 50-2
  Biographical note, ii. 177
Hohenzollerns, ii. 210, 269; iii. 80, 143
Holland, i. 183, 222-4; iii. 37, 123
Holstein, Baron von, ii. 212; iii. 216-18, 264-5
Hoover, Mr. (President), i. 256
Horne, Sir Robert, i. 127, 140, 243; ii. 87; iii. 103
Houghton, Hon. Alanson B., i. 18, 19; ii. 46-8; iii. 59-60, 66, 85, 135
Hué, Herr, i. 67
Hughes, Mr. (American Secretary of State), ii. 154-7, 195, 200, 210, 278; iii. 83-5, 128; Mrs., iii. 84
Hughes, Rt. Hon. W. M., iii. 61
Hummel, Dr., ii. 80-1
Humphries, Mrs., iii. 177
Hungary, ii. 259-60; iii. 101
Hunsrück, i. 295
Hurst, Sir Cecil, iii. 180, 202, 266
Hymans, M., i. 219; iii. 88

Imperial Conference, ii. 262
Import duties, i. 127, 130-1, 146, 157, 168, 318-19
India, ii. 99
India, Bolsheviks in, i. 188-9
Indian Army, ii. 246
Industry, European, iii. 219-20, 244-5
Ingres, iii. 152

Ireland, i. 207, 235 ; iii. 222
" Iron curtain," iii. 101, 177, 211, 222
Islam, ii. 132
Ismet Pasha, ii. 111
Iswolsky, M., i. 198 ; iii. 98, 217
Italy, i. 68, 86, 165, 190, 192, 200, 202, 246, 269 ; iii. 44, 88, 128-9, 131, 167-8 *n.*, 170, 180 *n.*, 223-4, 232, 235, 241, 249, 251, 265-6, 268
  Ambassador in Berlin, ii. 72, 157-8, 160, 174, 269
  Austria, ii. 90, 101
  Belgium, ii. 194-5
  England, ii. 235, 286
  German Peace Pact, ii. 154-5
  Germany, ii. 282-3, 286
  Greece, ii. 261
  London Conference (1922), ii. 137-8
  Paris Conference (1923), ii. 149-50
  Turkish crisis, ii. 109-11
  Yugo-Slavia, ii. 282

Jagow, Herr von, i. 96
  Biographical note, i. 96
Japan, i. 105 ; ii. 99, 216, 253-6 ; iii. 88
Jarres, Dr., iii. 161
Jaspar, M., i. 105, 118, 146, 243, 248, 285, 292-3 ; ii. 137, 194
Jay, Mr., iii. 96
Jenks, Mr., ii. 126, 140, 162, 310 ; iii. 109
Jesuits, i. 306 ; ii. 119
Jewish community at Jerusalem, i. 235
Jews, i. 236, 312-13 ; ii. 83, 118, 158, 211, 241, 251-2, 287-8 ; iii. 57, 81-2, 101, 143, 179, 243
Joffe, M., i. 300-2
  Biographical note, i. 300-1
Joffre, Maréchal, i. 275
Johannesburg, iii. 212
John, Mr. Augustus, iii. 15-16, 152-3, 222
Jonescu, M. Take, ii. 83
Jouvenel, M. Henri de, i. 244
Jugo-Slavia, i. 224
Jurists' Conference, iii. 180
Jusserand, M., i. 69 ; ii. 155 ; iii. 255
Jutland, Battle of (film), i. 218

Kabul, iii. 212
Kahn, Mr. Otto, i. 91
Kahr, Herr von, i. 94 ; ii. 51-3, 270 ; iii. 50-1, 56
Kaiser, *see* William II.
Kaiser-Friedrich Museum, iii. 242
Kapp *putsch*, i. 227 ; ii. 54, 115, 168, 276
Kardorff, Herr von, ii. 276
Karlsbad, i. 270
Kastl, Dr., ii. 133-4
Kattowitz district, i. 165
Kellogg, Mr., iii. 89
Kellogg Pact, i. 319 *n.*
Kemal, Mustapha, i. 193 ; ii. 64, 106-8, 111, 143
Kemmel, ii. 180
Kemmerer, M., iii. 47
Kenworthy, Mr. J. M., iii. 104
Kerensky, M., i. 201
Kerr, Mr. Philip, i. 128 ; iii. 150-1, 212
Kessler, Graf, ii. 204 ; iii. 75-6
Keynes, Mr. J. M., i. 186-7 ; ii. 114, 126, 128, 131, 140, 162, 310-11 ; iii. 109-10, 115, 212
Kiao-Chou, i. 265-6
Kiderlen-Waechter, Herr von, i. 172, 191 ; ii. 39
  Biographical note, i. 172
Kiel, iii. 262
Kiel Regatta, ii. 210
Kiev, i. 69
Kilmarnock, Lord, i. 164, 166 ; ii. 162
Kindersley, Sir R., iii. 46-7
Kitchener, Lord, iii. 40 *n.*
Kleinmichel, Countess, i. 201
Kluck, General von, i. 271-7 ; ii. 37, 41, 180
Koltchak, Admiral, ii. 82

Kopke, Herr, iii. 234
Korfanty, M., i. 141, 174
  Biographical note, i. 174-5
Kosciusko, iii. 150
Kovno, ii. 180; iii. 150
Krämer, Herr, ii. 312
Krassin, M., i. 176-7, 232, 261; ii. 172-3
  Biographical note, i. 176
Krestinsky, M., ii. 215
Kreuz Zeitung, i. 281
Krupps, i. 254, 304; ii. 173
Kühlmann, Herr von, i. 120, 257, 269; iii. 37-42, 61-3
  Biographical note, i. 120

Labour conditions in Germany, i. 89-91, 98-9, 124, 210, 234; ii. 116, 183
Labour Party, British, ii. 221, 284
Lampson, Mr. (Sir) Miles, iii. 266
Landru, murderer, i. 115
Languages, knowledge of, iii. 30, 100
Lansdowne, Lord, iii. 265
Latvia, i. 106
Laurent, M. Charles, i. 78-9, 122, 125, 285-6; ii. 76
Lausanne, ii. 143, 147-8, 165-6, 170-2, 188, 214
Law, Rt. Hon. Bonar, i. 51, 135; ii. 7-8, 116, 137-40, 144-6, 149-50, 153, 156, 160, 185-7, 217, 222; iii. 126
League of Nations, i. 2, 4, 127, 141-2, 200-1, 204, 213, 220-1, 225, 263; ii. 9, 10, 45-6, 51, 57-8, 62, 67-70, 74-5, 78, 155, 166, 187, 204, 217, 261
  America, iii. 75
  Council, iii. 225-41, 244, 248-9
  Finance Committee, iii. 72
  Germany, iii. 9, 25, 74, 77 *n.*, 137, 146-7, 149, 157, 159-60, 162, 165, 168-9, 172 *n.*, 179 *n.*, 181, 190-2, 202, 211, 218, 224, 225-41, 244, 247-9, 256-61, 267
  Protocol, iii. 136, 141, 155, 183, 226
  Russia, iii. 215, 239
  Text of Article XVI, iii. 292
Lebbin, Frau von, iii. 216-17
Le Cateau, i. 274-6
Lecquis, General, i. 196-8
Leicht, Herr, ii. 274
Leipzig Fair, iii. 95
Leipzig trials, ii. 54
Lenin, Ulianoff, i. 20, 22, 177, 187, 201, 261, 317; ii. 60, 119; iii. 59
Le Rond, General, i. 141, 313-14
  Biographical note, i. 313
"Le Rond Line," i. 217
Lewis, Sir George, i. 91
Leygues, M., i. 105, 111
Lichnowsky, Prince, i. 146-8; ii. 173-4; iii. 37, 41
  Biographical note, i. 146-7
  Princess, i. 147
Liége, i. 274
Liman von Sanders, General, i. 188, 191
Lipton, Sir Thomas, iii. 262
Lithuania, ii. 121; iii. 150-1
Little Entente, iii. 158-252
Litvinoff, M., i. 290, 302; ii. 119, 166, 172
  Biographical note, i. 302
Livadia, Czar at, i. 190
Lloyd George, Rt. Hon. David, i. 39-40, 53-7, 61-3, 66, 68-9, 71, 91, 117-18, 124-35, 138-45, 152, 155-62, 165-8, 177, 184-5, 199, 203, 217, 231-2, 235, 237, 243-7, 252, 263, 269-70, 281-2, 290, 292-4, 297, 302, 308-9, 315-17, 319 *n.*, 321-2; ii. 7, 27, 45, 71, 76, 83, 105-6, 109-10, 116, 118, 145, 185, 222, 235, 282, 285-6; iii. 21, 54, 146, 150, 153
  Appreciation, i. 36-8
Locarno, i. 2, 4, 17, 21, 26; ii. 9, 10, 26, 27; iii. 6-9, 16, 18, 25, 192-5, 199-204, 215, 218-19, 221-3, 232-3, 244, 251, 257, 260
  Protocol of Conference, iii. 280-5

Lodz, ii. 180
Loebe, Herr, i. 98, 281
  Biographical note, i. 98
Logan, Colonel, iii. 89
Logan, Mr., ii. 47
London, iii. 37, 41, 54, 58, 65, 102-5, 121, 136-8, 141, 172-5, 180, 182, 186, 189, 209, 211-12, 214, 221, 248, 262
London and Central Europe, ii. 289
London Conference:
  First, i. 106, 125-35
  Second, i. 155-63
  Third, i. 231-5
  1922, ii. 137-40
  1924, i. 30; iii. 31-2, 71-2, 76, 78-9, 82-3, 88-90, 98, 105
Londonderry, Lord, iii. 103
"Lorelei Note," iii. 174
Lorraine, i. 271; ii. 164-5
Lossow, General von, ii. 52-3, 267, 270
Loucheur, M., i. 110, 114-15, 124, 127, 132-4, 144, 146, 162, 194, 203, 207-8, 231, 237, 243, 248; ii. 186-7, 190-4; iii. 14, 134, 192, 249
  Biographical note, i. 132
Louis XIV, iii. 256
Ludendorff, General von, i. 183; ii. 41, 52-3, 104, 180, 182, 270-1; iii. 50-2, 56, 161
Ludwigshafen, ii. 214
Lugano, ii. 286
Luther, Dr., i. 34; ii. 292, 309, 313, 316, 319-20, 323
  Chancellor, iii. 123, 126-7, 131, 133, 135, 138-9, 142, 147-9, 164, 169, 175, 182, 184, 188, 193, 195, 200, 208, 213-14, 224, 226, 228, 238, 240, 244, 281-2, 285
  Finance Minister, iii. 4, 89
Lympne Conference, i. 156

"Macaroni," i. 171
MacDonald, Rt. Hon. Ramsay:
  Appreciation, iii. 29-32
  Premier, iii. 34, 54-5, 58-9, 70-2, 78, 88-90, 98-100, 102, 104, 106
  Speech on Pact of Mutual Security, iii. 157
  Visit to United States, iii, 32
Macedonia, i. 230
McFadyean, Mr., iii. 94
McKenna, Rt. Hon. R., i. 128; iii. 45, 47
Maglieuse, General, i. 58
Mainz zone, iii. 122
Malcolm, General, i. 120
Maltzan, Baron von, i. 238, 258, 298-302, 305-7, 314, 319-21; ii. 121-2, 141-2, 166, 170, 172-3, 191, 204, 215-17, 234-5, 251-6, 269-70, 287; iii. 43-5, 67, 73-4, 88, 93-4, 108, 119-20
  Appreciation, ii. 39-41
Manet, iii. 152
Mannheim, ii. 214
Margerie, M. de, ii. 143-4, 151-2, 158, 247, 253; iii. 87-8, 120, 198, 233-6, 245-8
  Biographical note, ii. 143
Marinis, Signor, i. 202
Mark, fall of, i. 30-3, 93, 186, 203, 284, 286, 290, 316; ii. 2-5, 55-7, 59, 81, 84, 97, 114, 123-4, 197-8, 239-40, 249, 291-309
  Stabilisation, ii. 44, 126-9, 138, 226, 240, 309-27
Marne, battle of the, i. 272-8; ii. 180; iii. 51
Marsal, M. François, i. 111
  Biographical note, i. 111
Marschall von Bieberstein, Baron, i. 172
Martial (*Epigrams*, IX, v) quoted, ii. 165
Martino, Cavaliere Nobile, i. 85, 93; iii. 150
  Biographical note, i. 85
Marx, Dr., ii. 272, 280-1; iii. 3, 68-9, 78, 83, 89-91, 93, 97, 100, 119, 161, 190
Masaryk, President, i. 69, 270-1

Masterman, Air Commodore, i. 285
Matin, Le, i. 262 ; ii. 262
Mauclère, M., ii. 85, 90, 95
Maunoury, General, i. 272-4
Mayence, ii. 169
Mediterranean Powers, iii. 266
Melbourne, iii. 81
Melchior, Dr. Carl, i. 193-4
  Biographical note, i. 193
Mellon, Mr., iii. 84
Memel, iii. 149-51
Memoirs of Court officials, iii. 263
Mendl, Sir Charles, iii. 102
Mesopotamia, iii. 62
Metternich, Prince, iii. 263
Michalsky, M., ii. 215
M.I.C.U.M., ii. 286
Micum contracts, iii. 63, 71, 72, 76-7, 94
Military control, i. 288-9; iii. 76, 95, 193
Millerand, M. Alexandre :
  Premier, i. 56, 58, 64-5, 69
  President, i. 106, 145, 199, 245, 262
Minoux, Herr, ii. 312
Mirbach, Count, i. 253, 296
  Biographical note, i. 253
Moltke, General von, i. 271, 273 ; iii. 51, 265
  Biographical note, i. 271
Mond, Sir Alfred (Lord Melchett), i. 159
Mons, i. 273-6
Montagu, Rt. Hon. E. S., i. 157, 159, 163 ; ii. 146
Montaigne quoted, ii. 20
Morgan, Mr. J. Pierpont, ii. 136, 189
Morocco, iii. 264-5
Morocco troops, ii. 246
Moscow, i. 95, 176-7, 182-4, 192-3, 195, 201, 228, 232, 238, 251, 257-8, 311, 314 ; ii. 64, 82, 113, 119, 132, 143, 147, 171-2, 174, 191, 215-16, 251 ; iii. 14, 43, 120, 166, 190, 196, 200
Moselle, i. 295
Motor trial in Russia, iii. 196-7
Mudania Conference, ii. 111
Müller, General, ii. 230-1
Müller, Herr Hermann, i. 129
  Biographical note, i. 129
Mumm, Herr, i. 297
Munich, ii. 266-7 ; iii. 50, 56
Murray, Professor Gilbert, iii. 225
Mussolini, Signor, ii. 137-8, 194, 235, 261, 282-3 ; iii. 168 *n.*, 170, 249, 281, 285

Nansen, Dr., ii. 166
Nantes, Revocation of Edict of, ii. 117
Napoleon, ii. 80, 117, 210, 239 ; iii. 14, 52, 100
National Art Collections, iii. 30
National Gallery Commission, i. 50
Nations, classification, ii. 258-9
Native troops, ii. 246
Negro, ii. 17
Nelson and Lady Hamilton (film), i. 218
Neurath, Herr, ii. 235 ; iii. 176
New York Herald, ii. 262
New York World, ii. 278
Nicholas II (Czar), i. 190-1
Nietzsche, Friedrich, i. 204-5
Nollet, General, i. 175, 267, 285, 306-7 ; ii. 59, 74, 158-9 ; iii. 88, 162
  Biographical note, i. 267
Norman, Rt. Hon. Montagu Collet, i. 315 ; iii. 176
Northcliffe, Lord, ii. 65-6
Noske, Herr, ii. 115
Nürnberg, ii. 270

O'Connor, Mr. T. P., iii. 154
Odessa, i. 23, 173 ; ii. 108
Officials, old and new, i. 89
Oheimb, Frau von, ii. 169, 204
Orgesch, i. 78, 87, 92
Ostend, iii. 172, 182
Oxford type, iii. 31

Pacelli, Mgr., i. 88
Pacific Coast, ii. 253

Pact:
  Anglo-Belgian (proposed), i. 244, 248-9, 254, 260
  Anglo-French (proposed), i. 244, 247-8, 254, 259
  European non-aggression, i. 244, 294, 319, *n.*
  Kellogg, i. 319 *n.*
Pact of London, iii. 90, 93-5, 114
Pact of Mutual Security, iii. 6-9, 14, 123-4, 127, 129, 132-8, 148-9, 151, 153, 162, 183-4, 186-95, 199-204, 208-12
  German note to Great Britain, iii. 276-7
  Memorandum to M. Herriot, iii. 278-9
Pact of Non-Aggression, iii. 127-9
Pact of Peace, ii. 155-7
Painlevé, M., iii. 74
Palatinate, i. 295; iii. 2, 13, 48, 55, 57, 59
Palmerston, Lord, iii. 29
Papal Nuncio at Berlin, i. 88; ii. 254
Paris, i. 63, 76, 90, 100, 111, 201, 206, 214, 248, 267, 272, 275, 285-6, 308, 315; ii. 20, 53, 252, 289; iii. 7, 23, 25, 27, 51, 71, 78, 120, 154, 155, 157-8, 170-2, 189, 195, 215
  British Embassy, iii. 102, 108
  Unsuitable for Conferences, iii. 230
Paris Conferences, i. 30, 105-119, 137, 199-200
  (1923), ii. 149-50, 156, 198
Parnassus on Paris, i. 261
Pašitch, M., ii. 110
Passive resistance, ii. 2-3, 186, 208, 217, 219-20, 222, 242-5, 247-8, 250, 275; iii. 3, 12
Paul-Boncour, M., iii. 240, 249
Peel, Sir Robert, iii. 153
Perretti de la Rocca, M., ii. 261
Persia, iii. 231, 260 *n.*
Pertinax (M. Géraud), i. 115, 215
Pester Lloyd, iii. 70
Pétain, Marshal, ii. 279; iii. 254
Petersburg (Leningrad), iii. 196
Petlura, General, ii. 64
Petrograd (St. Petersburg), i. 201, 283
Pfalz, iii. 2
Pilotti, Signor, iii. 180 *n.*
Pilsudski, President, i. 47, 70; ii. 142
Plebiscite, iii. 128, 150
Plebiscite in Upper Silesia, i. 141, 165, 199
Pless, i. 165, 189
Pless, Prince, iii. 33
  Princess Daisy, iii. 33
Poincaré, M. Raymond, i. 39-40, 112, 145, 157, 237, 239; iii. 3, 5, 13, 21, 42, 44, 48, 52, 54-5, 59, 63, 65, 69, 76, 83 *n.*, 85, 110-11, 128-9, 146, 178, 182
  Appreciation, ii. 21-7
  Dispute with Curzon, ii. 111-12
  Lord Robert Cecil, ii. 75-6
  Meeting with Baldwin, ii. 261-2, 284
  Premier, i. 245, 249, 251, 258, 263, 270, 279, 282, 292-4, 305, 309, 317-18; ii. 2, 5-10, 49, 72-3, 81, 85-6, 89, 94, 96, 109-10, 125, 135-41, 144, 149-50, 154-7, 162-3, 167, 187-8, 195, 197, 199, 200, 205, 216, 219-20, 224, 227-8, 232, 236, 242, 249-51, 253-6, 260, 265, 267, 270, 277-8, 282, 284, 286
  Resignations, i. 29-30; ii. 5, 6
  Stabilisation of franc, ii. 26, 44
Poisoned gas, iii. 165
Poland, i. 46-7, 58, 69-70, 78, 82, 95, 109, 139, 141, 165, 199, 209, 211, 217, 224, 227, 232, 250-1, 262, 306, 312; ii. 80, 100, 107-9, 142, 158-9, 223, 289
  Army, ii. 109, 181
  Corridor, iii. 88, 141, 153, 159, 221
  France, iii. 14, 35, 45, 100, 150, 194, 231-2, 241
  Frontier, iii. 87-8, 121, 149-51, 156-7, 252

Poland—*continued*
  Germany, iii. 14-15, 45, 226, 258
  League of Nations, iii. 224-6, 231-2, 241, 248, 258, 260 *n.*
  Locarno, iii. 192
  Russia, iii. 14, 100, 120, 191, 198
  Security, iii. 147, 183
Polish-Rumanian Treaty, iii. 247, 249-50, 252, 287-9
Pomerania, ii. 270
Portuguese colonies, iii. 220
Posen, i. 82
Potsdam, ii. 267; iii. 67
Prague, i. 69, 284; ii. 102; iii. 35, 64
Prinkipo, i. 316
Printers' strike, ii. 57, 81
Productive pledges, ii. 10, 85, 88, 135, 138, 141
Prohibition, iii. 84, 117
Propaganda "father of lies," ii. 170
Prussia, ii. 102, 183, 187, 210
  East, i. 271
Prussianism, Old Testament as source of, i. 236

Quai d'Orsay, i. 262; ii. 220, 261-2; iii. 23
Quinn, Mr., iii. 152

Radcliffe, Sir Percy, i. 69; iii. 254
Radek, M., i. 183, 250-3, 258, 261, 290; ii. 215, 251
  Biographical note, i. 250
Railway bonds, iii. 259
Rakowsky, M., i. 261-3, 292, 300
  Biographical note, i. 261
Rambouillet, i. 199
Rapallo, Treaty of, i. 39-40, 293, 296-311, 314, 319-22; ii. 69, 98, 116-18, 121, 141-2, 171, 234; iii. 119-20, 184, 205, 239, 245 *n.*, 290-1
Rathenau, Dr., i. 19, 32, 124, 177, 193-5, 202-3, 207-8, 225, 229, 232, 237-8, 240-1, 243, 245, 254-8, 265-71, 279-80, 282, 285-6, 289-92, 297, 300, 307-10, 314-16, 319-22; ii. 44-9, 60-1, 93, 115, 144, 251, 269, 287; iii. 108, 253, 290-1
  Appreciation, i. 38-41
  House, i. 194-5
Ratibor, Prince, i. 191
Raumer, Herr, ii. 237
Ray, M. Marcel, ii. 187
"Reactions" of Locarno, iii. 193, 202, 204, 208, 218
Reading, Lord, i. 134
Rechberg, Herr, i. 149; iii. 52
Reciprocity, iii. 22, 102, 112-13, 117-18, 185, 205-6
Reconstruction of Europe, i. 244
Reichsbank, i. 32, 34, 162, 240, 315; ii. 56, 93, 124, 136, 140, 169, 232, 240, 276, 292-323; iii. 108, 110-11, 130, 176, 218-19
Reichsrat, iii. 110
Reichstag, i. 40, 98, 170, 175, 182, 184; ii. 55, 81, 167, 200, 209, 223, 228, 231-2, 234, 245, 254, 269, 272, 274-5, 281; iii. 3, 65, 72-3, 79, 91, 98, 105, 117, 127, 139, 149, 165, 175, 181
Reichswehr, iii. 56, 162, 165
Reinhardt, Max, iii. 242
Rennenkampf, General, ii. 179
Rentenmark, ii. 240 *n.*, 276, 312-27
Reparation, iii. 1, 5, 32, 42-3, 45, 47, 52-3, 65, 72-3, 89, 114-15, 203, 230
Reparation Commission, i. 29, 57, 62, 79, 100, 103, 113, 146, 155-6, 161, 163-4, 168, 182, 203, 226, 228-9, 231, 243, 245, 253, 265, 286-8, 290-1; ii. 5, 56, 65, 78, 85, 88, 96-7, 128, 130-1, 133, 149, 219-20, 228, 260; iii. 35, 42, 45, 59-60, 70, 91, 109-10, 115, 230
Reparation proposals, i. 135-9, 307
Reparation Question, ii. 7, 24, 27, 69, 86, 127, 137, 193-211, 219-20, 228, 237-8, 246-7, 262-5, 279
Reparation Recovery Act, ii. 247

Rhine, the, iii. 121, 125, 178, 276, 278

Rhine Army, i. 112

Rhine frontier, i. 20-1, 223, 295; ii. 1, 162-3, 279

Rhine ports, i. 127, 199, 289, 295

Rhineland, ii. 8-10, 66, 69-71, 73, 114, 155, 160, 184, 187, 194, 224, 279; iii. 1, 2, 25, 42, 48, 55, 57, 74, 101, 125, 146, 158, 169, 192-3, 202-4, 207, 223, 251, 257, 266, 277-8
  Commission, ii. 162, 247

Rhodes, Cecil, iii. 61

Riddell, Lord, i. 247

Riga Treaty, i. 209

Ritscher, Herr, iii. 109, 115

Roberts, Lord, iii. 40 *n.*

Rockefeller, Mr. John D., ii. 189-90; iii. 84

Roggenmark, ii. 5, 312-13, 316

Rolin, M., iii. 180 *n.*

Roman Catholic Church in Russia, i. 294

Rome, iii. 189

Rosebery, Lord, i. 43

Rosen, Dr., i. 175-6, 178, 184, 189, 198, 202, 207, 219, 238, 257

Rosenberg, Herr von, ii. 150-4, 159, 170, 173-4, 183-5, 190-1, 202-10, 217-19, 226-7, 233, 235, 237, 287; iii. 108
  Biographical note, ii. 150

Rostock, iii. 197

Rote Fahne, ii. 82, 172

Royal Statistical Society, i. 31; ii. 283 *n.*
  Lord D'Abernon's Presidential Address, ii. 291-327

Rozwadowski, General, i. 58, 69

Ruhr, i. 82, 179, 296

Ruhr occupation, i. 17, 19, 28-30, 35, 57, 64, 66-8, 83, 93, 155-62, 175, 225; ii. 1-10, 23-6, 46, 139, 141, 144, 150, 160, 163, 170, 173-4, 178, 183-92, 224, 228, 242-3, 263-5, 270, 275; iii. 2-5, 12, 21-2, 47, 50, 60, 65, 70, 72, 83, 85, 89-90, 95, 99, 106, 122, 129, 133, 175-6, 181-3
  Economic results, ii. 196-201

Ruhrort, i. 127, 129, 140, 165, 168, 295; iii. 175, 182

Rumania, i. 190, 217, 224, 230, 262; ii. 83, 102, 107, 109-11, 131, 259, 289; iii. 44, 247, 249-52, 287-9

Runciman, Rt. Hon. Walter, i. 128

Rupprecht, Prince, i. 88; ii. 53

Russia:
  America, iii. 197, 216
  Army, ii. 181
  Bolsheviks, ii. 116, 119-20, 135, 158, 173, 214
  Brest-Litovsk, ii. 153-4, 177 *n.*, 182, 191
  Commerce, i. 176-7, 232, 251, 283
  Conditions in, iii. 196-7
  Diplomacy, iii. 28, 198, 200-1
  England, ii. 98-9, 101, 119, 178, 216, 252; iii. 43-4, 86, 104, 122, 190-1, 215-16
  European reconstruction, i. 244
  Famine, i. 199
  France, i. 251, 258; ii. 64, 100-1, 121-2, 147; iii. 35, 45, 198, 201, 246
  Genoa, ii. 76
  German arms factories, ii. 272
  Germany, i. 23, 185, 211, 238, 250-5, 296-322; ii. 40-1, 46, 117-18, 121-2, 147, 159, 191, 226; iii. 14, 42-4, 67, 94, 119-20, 146-7, 159-60, 163, 165, 169, 173, 184, 195, 198, 203, 205, 239, 246
  Imperialist refugees, i. 201
  League of Nations, ii. 45; iii. 147, 160, 215, 239
  Need of money, iii. 35-6, 101, 163, 198, 201, 216
  Poland, i. 46-7, 69-70, 109, 232; ii. 100, 159; iii. 45, 88, 100, 252
  Propaganda, ii. 171, 216

Russia—*continued*
  Report on Ruhr, ii. 174-7
  Russo-French Alliance, ii. 238
  Soviet, ii. 63-5, 81-3, 98, 107, 170-3, 178, 215-16, 252
  Soviet Government, i. 20, 95, 182, 201, 258, 262, 269, 292-4
  Tannenberg battle, ii. 177, 179-80
  Turkey, i. 172-4, 190-3, 196; ii. 107, 113, 131-2, 143, 166; iii. 39, 215, 286
  Vorowsky funeral, ii. 214
  War, iii. 51, 98
Russian Affairs, Sub-Commission on (Genoa), i. 292-4
Russian character, iii. 41-2
Russo-German Agreement, iii. 245-9, 252; *see also* Rapallo.
Rybnik, i. 165, 185
Rye as basis for currency, ii. 5, 284, 312-13, 327

Saar, ii. 68; iii. 42, 266 *n.*
Saint-Aulaire, Comte de, ii. 261-2
Saint James's, Court of, iii. 31
Salisbury, Lord, i. 43, 204; ii. 139, 221; iii. 265
Salonika, i. 229; iii. 62
Samsonoff, General, ii. 179
Samuel, Sir Herbert, i. 105
Sanctions, i. 127, 129, 140, 143, 178, 199; iii. 71-2, 88-9
Sandhurst, a diplomatic, iii. 31
Sauerwein, M., i. 247
Saxony, i. 82; ii. 230-1, 249, 273-4, 276; iii. 2, 50
Sazonoff, M., i. 191
Schacht, Dr., i. 34; ii. 240 *n.*, 276-7, 292, 312, 320-3; iii. 4, 111-12, 115, 126, 176, 218-21
Schanzer, Signor, i. 292, 300, 302
Scheidemann, Herr, i. 206
  Biographical note, i. 206
Schiele, Herr, iii. 188, 199
Schiffer, Herr, i. 167
Schlieffen, General von, i. 271; ii. 180; iii. 38
Schneider, M., ii. 188-9
Schopenhauer, i. 205
Schroeder, Dr., i. 90, 133
  Biographical note, i. 133
Schroeder, Messrs., i. 315
Schubert, Herr von, ii. 244-5, 269, 287; iii. 8, 74, 90, 94, 127, 136, 146, 151, 188, 193, 195, 214, 224, 237, 275
  Appreciation, iii. 27-8
  Conversations with Lord D'Abernon, iii. 121, 201-2, 210-11, 223, 266
Schurman, Mr., i. 18
Schweninger, Dr., ii. 241-2
Scialoja, Signor, iii. 88, 282
Scots business instinct, ii. 252
Sea power, ii. 51
Secret Service, iii. 31
Security, i. 24, 37, 244, 259; iii. 5, 72-4, 87, 121, 124-6, 132, 134, 136, 142, 155-7, 160, 162, 166, 168-9, 177-8, 183-4, 187, 209-11, 258
Sedlitz, Herr, iii. 86
Seeckt, General von, i. 57, 61-3; ii. 52-3, 168, 267, 271-2, 274, 276, 281; iii. 56, 214
  Appreciation, ii. 41-2
  Biographical note, i. 61
Seipel, Dr., ii. 88-9
Selden, John, quoted, ii. 15
Senegalese troops, ii. 246
Separatism, iii. 2
Serbia, i. 288; ii. 107, 109-10, 289; iii. 39, 98, 241, 247 *n.*, 261
Sevenoaks, iii. 116
Sèvres, Treaty of, i. 58, 106, 116
Seydoux, M. Charles, i. 109, 115, 122, 134
  Biographical note, i. 109
Sforza, Count, i. 56, 59, 68, 187, 202; ii. 110
"Sforza Line," i. 187, 189
Shakespeare, iii. 19
Siegerwald, i. 295
Silesia, iii. 33, 146, 159, 221

Silesia, Upper, i. 65-6, 122, 130-1, 133-4, 139, 141-4, 164-8, 174, 178-9, 182, 185, 187, 192-4, 196-7, 199-201, 214, 217-21, 235, 313 ; ii. 68, 217
Simon, Sir John, iii. 103
Simons, Dr., i. 57-9, 64, 78-9, 86, 89, 94, 114, 121-30, 132-3, 137-40, 142, 144, 149-50, 153, 156, 175, 211 ; ii. 287 ; iii. 161
Simson, Herr von, i. 304 ; ii. 77, 95-6
Singapore, iii. 59
Sinn Fein, i. 188, 207
Skoda Works, ii. 259
Skrzyński, Count, iii. 192, 281
Snowden, Rt. Hon. Philip, i. 178 ; iii. 100
Solf, Dr., ii. 255
Somme, the, ii. 180-1
Soviet, *see* Russia.
Soviet-Japanese Pact, ii. 255 *n.*
Spa, iii. 79
Spa Conference, i. 28, 56-68, 90, 248
Spain, iii. 44, 123, 224-5, 229, 231-2, 248, 258, 260 *n.*
Spartacists, i. 92
Speculation, iii. 216-17
Spengler, Herr, ii. 287
Staël, Madame de, i. 6, 8, 10
Stamfordham, Lord, ii. 221
Stamp, Sir Josiah, iii. 47, 89
Steel production in France, ii. 165
Steel Trust, U.S.A., ii. 188-9
Stein, Herr, iii. 109, 115
Stettin, i. 256 ; iii. 151
  Episode at, ii. 73
Stewart, Captain, i. 277
Sthamer, Dr., i. 89, 166 ; ii. 244 ; iii. 58, 136-8, 275
Stinnes, Herr Hugo, i. 19, 32, 57-8, 64-5, 67, 180, 232, 240, 254, 267, 314 ; ii. 46-8, 50, 87, 96, 104, 124-5, 215, 218, 232-3, 282, 305 ; iii. 108, 110
  Appreciation, ii. 42-4
  Biographical note, i. 64
Straits, freedom of the, ii. 109-10, 113, 131-2, 171
Stresemann, Dr., i. 5, 42, 164-9, 208, 216 ; ii. 27, 49, 51-3, 115, 145, 153, 204-5, 218, 229, 231-4, 236-7, 246-50, 253, 258, 260, 267-9, 271-5, 280-2, 286-7, 309
  Appreciation, iii. 10-20
  Chancellor, iii. 3
  Conversations with Lord D'Abernon, iii. 13, 16, 37, 56-8, 68-70, 98-101, 132, 145-7, 167-70, 173, 214, 222, 227-8, 240-1, 259-60
  Foreign Minister, iii. 7-8, 46-8, 65, 67, 73, 77-8, 83-4, 89-90, 93-4, 97, 111, 119, 123, 127, 133-4, 153-4, 156, 160-2, 164, 175-6, 181-2, 184, 186-9, 192-3, 195, 200, 208, 210, 212-13, 221, 224, 226, 236, 238, 244, 247, 252-3, 257-8, 261, 266, 281-2, 285
Stresemann, Frau, iii. 19, 84
Strong, Mr. Benjamin, iii. 176-7
Stuart, Sir Harold, i. 141, 178
Stumm, Herr, iii. 264
Stuttgart, ii. 247, 249
Sublime Porte, i. 173
Submarines, i. 247 ; iii. 66, 123
Suchomlinoff, General, ii. 181-2
Sudermann, Herr, iii. 253
Suetonius, i. 104
Supreme Council, i. 28, 64, 67, 69, 100, 103, 105, 111, 112-13, 121, 141, 155-6, 160, 162, 231, 244-5, 292 ; ii. 6, 85, 93, 136, 149, 156
Sweden, i. 86 ; iii. 37, 123, 225-6, 232
Switzerland, iii. 101, 123, 190 *n.*, 260 *n.*
Sydney, iii. 81
Szechenyi, Austrian Ambassador, i. 96

Tacitus, i. 9
Tagore, Rabindranath, i. 179-80

Talaat Pasha, i. 81, 173-4, 188-92, 196; ii. 112
  Biographical note, i. 88
Talleyrand, iii. 217
Tangier, i. 247; iii. 96-7, 249
Tannenberg, iii. 51
  Battle of, ii. 177, 179
Tardieu, M. André, i. 76-7
  Biographical note, i. 76
Taunus, i. 295
Taussig, Professor, ii. 323
Taxation and trade, i. 289
Tchitcherin, M., i. 195, 252, 290, 292, 302, 314, 320-1; ii. 63-5, 81-3, 103, 143, 147, 166, 170-3, 216; iii. 44-5, 198, 200-1, 214-16, 245 *n.*, 286, 290-1
  Biographical note, i. 195
Temps, Le, i. 161; ii. 207
Teschen, i. 58
Tewfik Rushdi Bey, iii. 286
Thaelmann, Herr, iii. 161
Theunis, M., i. 100, 118, 134, 146, 243, 248, 292; ii. 137-8, 150; iii. 71, 88, 100
Thoiry, iii. 266
Thomas, M. Albert, i. 239
Thomas, Rt. Hon. J. H., iii. 88
Thrace, i. 230; ii. 106, 111
Thuringia, ii. 230-1, 273-4, 276; iii. 50
Thurn und Taxis, Prince, i. 95
Thyssen, Herr, ii. 50
Tiark, Mr., i. 315-16
Tiberius, iii. 27
Tiberius Cæsar, i. 104
Tiflis, iii. 196
Tilsit, Peace of, ii. 24, 239; iii. 14
Times, The, iii. 212
Tirard, M., i. 230; ii. 261
Tirpitz, Admiral von, i. 82; ii. 173, 213; iii. 61, 66-7, 68, 86, 144, 163, 176, 218, 262
Tokio, ii. 254-5
Torquay, ii. 186-7
Torretta, Marchese della, i. 141, 200, 202, 243; ii. 150
  Biographical note, i. 200
Trade Facilities Act, iii. 215
Triple Alliance, ii. 238
Trotsky, Lev, i. 177, 201, 313; ii. 119, 181-2
Tsar, iii. 39, 96, 98, 100, 263
Tschirschky, Herr, iii. 265
Turco-Greek War, i. 199
Turco-Soviet Treaty, iii. 286
Turf, the, iii. 103
Turkey, i. 58, 81, 106, 116, 126, 171-4, 190-3, 195-6, 253-4, 262, 288, 312, 316-17; ii. 64, 95, 99, 105, 108-12, 143, 288; iii. 39, 45, 61-2, 191, 215
  England, ii. 105, 109-13, 131-2, 148, 166, 170
  Russia, ii. 107, 113, 131-2, 143, 166
Tusar, M., i. 284; ii. 53-4, 142-3; iii. 35-6, 64-5, 101
  Biographical note, i. 284
  Madame, iii. 64-5
Tyrrell, Sir William, ii. 244

Uhr Abendblatt, iii. 69
Ukraine, i. 188, 261; ii. 64, 99, 108; iii. 44
Undén, Dr., iii. 225
Unemployment, i. 264; iii. 219
United States, *see* America.
Urquhart agreement, ii. 173
Urquhart, Mr. Leslie, i. 201

Vandervelde, M. Emile, iii. 281-2, 285
Vansittart, Mr. R. G., i. 156
Vatican, the, i. 294
Venice, iii. 102
Venizelos, M., ii. 282
Versailles, Treaty of, i. 3, 5, 16, 24-7, 57, 84-6, 106, 109, 113, 125, 127, 135, 141, 155, 164, 168, 199, 225, 238, 252, 298, 300-1, 312; ii. 23, 26, 50-1, 73, 88, 144, 150-2, 155, 271; iii. 1, 9, 11, 24, 56-7, 61, 71, 74, 77 *n.*, 105, 123, 125, 150, 152, 167 *n.*, 184, 190 *n.*, 194, 220 *n.*

Vespasian, iii. 27
Veterinary practice, iii. 43
Vickers, Messrs., ii. 105
Victoria, Queen, i. 6
Vienna, i. 95; ii. 56, 102-3; iii. 97
Vissering, Dr., ii. 120, 131, 133; iii. 109, 115
Viviani, M. René, i. 110, 154; ii. 125
  Biographical note, i. 110
Volkspartei, i. 169, 179-80, 216, 252, 254-6, 314; ii. 49, 104, 115, 125, 133-4, 169, 218, 236, 272-3; iii. 17, 56, 69, 176, 208
Vorowsky funeral, ii. 214
Vorwärts, i. 148-50; iii. 64
Vosges, the, i. 295
Vossische Zeitung, iii. 69, 100, 109, 115

Wagner, Richard, i. 204-6
  Cosima, i. 205
Waldersee, Count von, ii. 213
Wall Street, ii. 6
Wangenheim, Herr von, i. 191; iii. 62
War criminals, i. 106, 199
War, future, i. 260, 278
War, Great, ii. 18, 27, 63, 105, 125, 173-4, 177-82; iii. 37-41, 61-3, 66, 80, 82, 158, 254-6, 261-6
  Causes, i. 1, 2, 152, 198
  Events preceding declaration, i. 95-7, 268
  Responsibility, iii. 85-7, 93, 97-8, 190-1, 194
  Turkey, i. 171-4
Warsaw, i. 46-7, 69-71, 82, 108, 183, 197; iii. 45, 150, 249
Warsky, Comrade, ii. 175
Washington, ii. 5, 41, 144, 255, 278; iii. 128, 150
  German Embassy, iii. 48, 119, 120 *n.*
Washington Conference, i. 219, 243
Watteau, ii. 19
Wauchope, General, i. 178; iii. 138
Wedekind, Herr, iii. 242-3
  Frau, iii. 242-3
Weekly Dispatch, i. 133
Weimar, Grand Ducal court, i. 8
Weiss, Herr, ii. 55
Weizmann, Dr., i. 235-7
West, Mrs. Cornwallis, iii. 33
Westarp, Count, i. 204; iii. 199
Westerwald, i. 295
Weygand, General, i. 69-70, 107-8; ii. 107-9; iii. 255
  Appreciation, i. 45-8
White Book, iii. 71
Wiedfeldt, Dr., i. 269-70; ii. 154-6
Wielowieyski, M., iii. 289
Wiesbaden Agreement, i. 214, 219
Wilde, Oscar, iii. 253
Wilhelmstrasse, i. 16, 214; ii. 58, 211; iii. 7, 39, 41, 67, 77, 85, 93, 114, 120 *n.*, 122, 151, 164, 173, 180 *n.*, 181, 195, 234, 251, 264-5
  Archives, iii. 264
William I (Kaiser), iii. 39
William II (Kaiser), ii. 210, 213, 267-8; iii. 39, 61, 63-4, 79-80, 86, 96-7, 143-4, 261-3
  Attitude to England, i. 204
  Austrian appeal, i. 95-6
  Camarilla, i. 269
  Character, i. 81-2, 88, 198, 222, 265-6
  Empress Augusta-Victoria, iii. 80
  "Empress" at Doorn, iii. 63-4
  Flight to Holland, i. 222-4
  Marginal notes, i. 1
  Norway cruise, i. 268
  Possibility of restoration, i. 222, 226-7
  Responsibility for the war, i. 152
  Spa headquarters, i. 58-9
  Turkish affairs, i. 171-2, 191
Wilson, Field-Marshal Sir H., i. 58, 66-7, 117; iii. 40 *n.*
Wilson, President, i. 25, 139; iii. 48, 150
Wirth, Dr., i. 39, 82-4, 89-90, 142, 156, 169-70, 175, 179-82, 187, 193, 197, 207, 219, 231, 240,

252, 255-6, 270, 282, 292, 297, 308, 315; ii. 39, 45, 50, 54-5, 57-8, 67-74, 84, 89, 95-6, 104, 114-15, 124-6, 130-1, 133-4, 184, 208, 269, 280, 287; iii. 108, 115, 161-3
  Biographical notes, i. 82-3, 219-20
Wise, Mr., i. 299, 301-2, 309-10, 321-2; ii. 235
Wittelsbach, House of, ii. 267, 269
Wittelsbachs, iii. 80
Wittenau, iii. 134
Wolff, Sir H. Drummond, i. 48
Wolff, Herr Otto, ii. 87
Wolff, Herr Theodor, i. 148-9; ii. 251
  Biographical note, i. 148
Wolf-Metternich, Count Paul, i. 174
  Biographical note, i. 174
Women's politics, iii. 69
Worthington-Evans, Sir Laming, i. 157, 159, 243
Wrangel, General, i. 87, 95, 268; ii. 82
  Biographical note, 87
Wünsdorf, i. 256
Wyndham, Rt. Hon. George, i. 42
Würtemberg, ii. 170

Young, Dr. Owen, iii. 46-7, 49-50, 60, 89, 94-5
Young Agreement, iii. 18
Young Turks, i. 171, 188
Younger, Sir George, ii. 145
Yugo-Slavia, ii. 90, 102-3, 259, 282; iii. 44, 194, 223

Zaharoff, Sir Basil, ii. 282
Zamek, Herr, i. 220
Zeigner, Dr., ii. 230-1
Zeit, Die, iii. 132
Zimmermann, Herr, i. 96
  Biographical note, i. 96-7
Zionism, ii. 252
Zionist movement, i. 236-7

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